



CITY OF GLENDALE

Intergovernmental Programs Department

2016 End of Session Report

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Session Summary

The 52nd Legislature, 2nd Regular Session concluded *Sine Die* on May 7, 2016 after 117 days. Legislators introduced 1,361 bills, memorials, and resolutions and sent 388 bills to the Governor. Of these, 374 were signed into law. The new laws will become effective 90 days after adjournment (August 6, 2016), unless the bill contained an otherwise specified effective date.

This comprehensive report contains a summary of each of the bills that relate to the City of Glendale's municipal operations. Each section includes the new laws enacted as well as the list of bills that did not pass this session. Please direct any questions to the Intergovernmental Programs Department at (623) 930-2813.

Glendale's 2016 Municipal Legislative Principles

FISCAL SUSTAINABILITY

Preservation of State Shared Revenue

The city supports the retention of state shared sales and income tax revenues at the 15% distribution level and opposes any reduction or cap in state shared revenues, either directly or through the creation of exemptions, unless equal revenue sources are made available.

Maintaining Revenue Streams/Directed Funding Sources

The city supports the full disbursement levels of existing revenue streams including the Heritage Fund, the Highway User Revenue Fund (HURF), the Vehicle License Tax (VLT) and the Maricopa County half-cent sales tax for transportation. The city opposes diversions of these funds by the Legislature.

Preservation of Local Taxing Authority

The city supports the retention of local taxing authority and the maintenance of fiscally balanced revenue sources. The city opposes legislation that will shift a greater tax burden to homeowners as a consequence of restructuring property tax assessment ratios. Furthermore, the city supports the efforts of the Municipal Tax Code Commission to make tax collection more efficient.

Unfunded Mandates

The city opposes unfunded state mandates placed on local jurisdictions, and encourages the Legislature to evaluate the fiscal impact such mandates will have on communities prior to considering the issue.

ECONOMIC DEVELOPMENT

The city opposes any attempt to limit local control over, or ability to execute economic development projects, and supports any effort to enhance the range of economic development mechanisms at a municipality's disposal.

LAND USE PLANNING

The city supports maintaining local authority in land use planning issues and supports legislative efforts that promote more orderly growth and opposes efforts that impede growth management, including the preservation of local authority to set land use policies and support for citizen involvement in the planning and zoning process. Furthermore, the city opposes legislation that would restrict a municipality's ability to redevelop under-performing areas.

MILITARY PRESERVATION

The city recognizes the importance of preserving the mission viability of Luke Air Force Base and the importance of the base to our national security interests, state and local economies, and to the retirees who rely on Luke for services. The city supports the retention of existing state statutes relating to military airports, and the development of legislation that limits encroachment of all types, supports compatible land uses around such facilities, and ensures the capability for future mission expansions.

NEIGHBORHOODS

The city supports initiatives to preserve and enhance the quality of life in neighborhoods and protect the rights of citizens to actively engage in the development of public policy.

PUBLIC SAFETY

The city supports initiatives to preserve and enhance the ability of local governments to strategically plan for and respond to emergencies.

TRANSPORTATION

The city supports regional coordination in transportation planning but opposes efforts that limit local control in the transportation decision-making process. The city supports the voter approved Proposition 400 and opposes efforts to hinder the implementation of the Regional Transportation Plan. Furthermore, the council supports efforts that grant cities and towns the additional ability to provide for transportation improvements.

WATER/ENVIRONMENTAL RESOURCES

The city supports efforts that ensure the wise use of natural resources and promotes environmentally sensitive and sustainable development.

State Budget

As Arizona continues to emerge from the recession, state revenues continue to increase, albeit at a moderate rate. Debate at the capitol immediately focused on what to do with this new revenue, with some arguing that it should be spent to provide increased funding for vital services (primarily K-12 education, higher education, and the Department of Child Safety) and others believing any surplus funding should be used to pay down debt. The final budget includes a mix of both of these approaches.

In total, the Fiscal Year 2016-17 (FY 17) budget includes state General Fund spending of \$9.6 billion which is a 1% increase above last year. Major areas of spending include \$4 billion for primary and secondary education, \$2.7 billion for health and human services, \$1.1 billion for corrections, and \$732.4 million for universities and community colleges. Ongoing General Fund increases were provided to the Department of Child Safety (\$24 million), joint technical education districts (\$29 million), universities (\$13 million), and a border strike force (\$8 million). K-12 schools will also see an increase in funding as a result of the passage of Prop 123 which occurred subsequent to the budget being signed. The adopted budget also included a number of one-time increases including funding for school repairs/construction, a number of technology and capital projects at several state agencies, statewide transportation projects, and \$232 million to repay some of the so-called “rollovers” that have been used to help balance the budget since the recession. It is estimated that the state will end FY 17 with a cash balance of \$66 million, not including the balance in the rainy day fund which is currently over \$450 million.

Although the budget continues to sweep \$96 million from HURF, which is unchanged from last year, the Legislature did make a one-time appropriation of \$87 million from the state General Fund for transportation projects. Of that amount \$57 million was for the state and \$30 million was earmarked for local jurisdictions to be distributed in a manner similar to the HURF formula. This results in an increase of approximately \$16 million in new funds to cities and towns. Glendale share of the one-time funds is \$584,686. The budget package for FY 17 was signed into law on May 10, 2016.

Fiscal Sustainability

*New Laws***HB 2002 (Chapter 358) INSURANCE PREMIUM TAX REDUCTION**

The insurance premium tax rate for insurance other than fire, disability, and health care service insurance is annually reduced by .05 percent, beginning from the 2015 rate of 2 percent down to 1.70 percent in calendar year 2021 and beyond. Previously, the rate was annually reduced from the 2015 rate of 2 percent to specified lower rates in calendar years 2016 through 2025 and to 1.70 percent in calendar year 2026 and beyond.

HB 2025 (Chapter 359) UTILITIES TPT; SALES OF PROPANE

The list of deductions from the tax base for the utilities classification of transaction privilege and use taxes is expanded to include gross proceeds of sales or gross income derived from sales of liquefied petroleum gas to a business that is principally engaged in manufacturing or smelting operations and that uses at least 51 percent of the liquefied petroleum gas in the manufacturing or smelting operations. Applies to taxable periods beginning the first day of the month following the general effective date.

HB 2125 (Chapter 179) DISTRICT BOUNDARY MODIFICATION; PARCEL LINES

For any special taxing district whose boundaries split parcels as determined by the county assessor on or before November 1, 2007, a property owner in the district is authorized to request in writing that the county assessor modify the boundary so that the entire parcel is contained in the district that governs the majority of the parcel. If two or more districts of the same type govern an identical percentage of the area of the parcel, the property owner may designate the district that will govern the entire parcel. Does not apply to a list of special taxing district types. On discovery that a parcel is split by a district boundary, the county assessor is authorized to initiate the consolidation of the entire parcel into a single district, and must provide the property owner with at least 30 days' notice before the consolidation becomes final. If the property owner rejects the proposed consolidation, the parcel cannot be consolidated.

HB 2133 (Chapter 181) TPT; EXEMPTION; AERIAL APPLICATORS

The list of deductions from the tax base for the retail classification of transaction privilege taxes and use taxes is expanded to include the gross proceeds of sales or gross income derived from sales of "agricultural aircraft," defined as an aircraft built for agricultural use for the aerial application of pesticides or fertilizer or for aerial seeding, retroactive to taxable periods beginning April 18, 1985. Any claim for a refund based on the retroactive application of this deduction must be submitted to the Department of Revenue by December 31, 2016. The aggregate amount of the refunds issued under the retroactive application is capped at \$10,000, and interest cannot be allowed or compounded on any refundable amount paid before July 1, 2017. The retroactive provisions are nonseverable.

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HB 2301 (Chapter 189) BONDING; SALE; PREMIUMS; REFUNDING; REFINANCE

Various changes relating to bonding. All bonds must be secured by a lien on all revenues received from the tax levy, which arises automatically without the need for any action by the government officer or body. Eliminates the cap on net premiums associated with a bond issue. The amount of net premium associated with a bond issue may be used only for a list of specified purposes. Statutes governing refunding municipal improvement district bonds are repealed and replaced. Establishes various requirements for refunding municipal improvement district bonds, including assessments and interest, collection and enforcement, and limitations. The list of permissible methods for selling municipal or county bonds is expanded to include by negotiated sale.

HB 2326 (Chapter 361) AGRICULTURAL FEED; SALES; TAX EXEMPTION

The exemption from the retail classification of transaction privilege tax (TPT) and use tax for certain livestock and poultry feed is expanded to include sales of livestock and poultry feed to persons for use or consumption by their own livestock or poultry or for use or consumption in noncommercial boarding of livestock. Statute deeming a person who prepares agricultural products for sale or commercial use and who sells the product of that business at retail to be engaged in business classified under the retail classification of TPT does not apply to agricultural producers who are owners, proprietors or tenants of agricultural lands, orchards, farms or gardens where agricultural products are grown, raised or prepared for market and who are marketing their own agricultural products. For the purpose of statute prohibiting restrictions on sales by food producers, the definition of “food product” is expanded to include animal feed that is grown or raised by the producer and sold as feed for livestock, poultry or ratites purchased or raised for slaughter, including livestock purchased or raised for production or use. Taxes, licenses and fees cannot be imposed or levied on a purchaser of a food product from a food producer.

HB 2440 (Chapter 9) MUNICIPAL IMPROVEMENT DISTRICTS; FORMATION ELECTION

If a municipal council or governing body determines that a municipal improvement district should be formed, and after the final resolution of any protests made, the municipal council is required to submit within 120 days to the municipal clerk a petition to form the district that is signed by the owners of more than 1/2 of the taxable property units within the area of the proposed district and that is signed by persons owning collectively more than 1/2 of the assessed valuation of the property within the area of the proposed district. On verification of the petition signatures, the municipal council may form the district and order the improvement as otherwise provided by law. Applies retroactively to any districts for which the municipal council has not adopted a boundary map by January 1, 2016.

HB 2495 (Chapter 366) SPORTING EVENT TAX REVENUE; TOURISM

Beginning January 1, 2021, the State Treasurer is required to pay \$1.5 million per fiscal year, in 12 equal monthly installments, from monies appropriated for this purpose to the Office of Tourism to promote and market a “special sporting event” (defined as a sporting event sanctioned by a nationally recognized premier national auto racing series governing body that meets other specified requirements) at a “host facility” (PIR) where the cost of the event is at least \$100 million. If the host facility meets specified requirements, \$1.5 million is appropriated

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annually from the general fund to the State Treasurer for these purposes beginning in FY2021-22 and ending in FY2050-51.

HB 2533 (Chapter 367) CHARTER AIRCRAFT; TAX EXEMPTION

The list of deductions from the tax base for the retail classification of transaction privilege taxes and use taxes is expanded to include the gross proceeds of sales or gross income derived from sales of aircraft, navigational and communication instruments and related equipment sold to a certificated or licensed scheduled or unscheduled carrier of persons or property for hire to be used to transport persons for hire in intrastate, interstate or foreign commerce, to a person operating an aircraft to transport persons in any manner for compensation or hire under specified federal code, including as an air carrier or commercial operator, and to a person that will lease or otherwise transfer "operational control" (defined) of the aircraft, instruments or accessories to those persons. Operational control of the aircraft must be transferred to an eligible person for at least 50 percent of the aircraft's flight hours during the "recapture period" (defined), or the owner of the aircraft is liable for an amount equal to any tax that the seller or purchaser would have been required to pay at the time of the sale, plus penalty and interest. The Department of Revenue is required to prescribe the form of a certificate to be used by a person purchasing an aircraft to document eligibility for the deduction. Retroactive to taxable periods beginning June 1, 1998. Any claim for refund of TPT or use tax based on the retroactive application of this legislation must be submitted to the Department of Revenue by December 31, 2016. The aggregate amount of claims based on the retroactive application cannot exceed \$1,000. If any part of the retroactive application of this legislation is finally adjudicated to be invalid, the entire retroactive application is void. Effective July 1, 2017.

HB 2536 (Chapter 368) FINE ART; TPT EXEMPTION

The list of exemptions from the retail classification of transaction privilege tax is expanded to include sales of "work of fine art" (defined elsewhere in statute) at an art auction or gallery in Arizona to nonresidents if the vendor ships or delivers the work of fine art to a destination out of state. Applies to taxable period beginning the first day of the month following the general effective date.

HB 2538 (Chapter 334) MUNICIPAL BONDS; TAX LEVY

The annual tax levy for payment of county, municipal or municipal corporation bonds is prohibited from exceeding the net amount necessary to meet annual payments of principal and interest, projected payments of principal and interest on new debt planned for the ensuing year, and a reasonable delinquency factor. Previously, the levy was prohibited from exceeding the net amount necessary to make the annual principal and interest payment, including a reasonable tax delinquency factor.

HB 2584 (Chapter 369) DATA CENTER TAX RELIEF; QUALIFICATION

For the purpose of computer data center tax relief, the effective date of the certification as a computer data center by the Arizona Commerce Authority is the date on which the application was submitted to the Authority. The list of costs constituting the minimum investments a computer data center must make is expanded to include improvements to land, and the costs may be spent on items owned or leased or paid for under a right to use agreement. The process and justifications for revocation of a certification are modified. A certified computer data center qualifies as a "sustainable redevelopment project" if it is a newly constructed data center

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with at least a \$200 million investment and that is newly certified under the energy star or green globes standard, the leadership in energy and environmental design green building rating standard developed by the U.S. green building council or an equivalent green building standard. Retroactive to September 13, 2013, the owner, operator or qualified colocation tenant is no longer required to present its certificate issued by the Authority to the retailer at the time of purchase in order to qualify for the deduction from the retail classification of transaction privilege and use taxes.

SB 1003 (Chapter 31) SECURITIES; EXEMPT TRANSACTIONS

For the purpose of transactions being exempt from specified securities regulations, the sale of securities is not considered to be "made in the course of repeated or successive transactions of a similar character by the owner" if the sale is of a security that was originally exempt under the statutory intrastate offering exemption and if at least nine months have passed from the date of the last sale of the security by the issuer to a resident of Arizona.

SB 1157 (Chapter 144) SMALL PROPERTY TAX BALANCE DELIQUENCY

If the total amount of property taxes is \$100 or less, the entire amount that is unpaid become delinquent after December 31 at 5:00 PM, instead of after November 1 at 5:00 PM.

SB 1310 (Chapter 223) TPT EXEMPTION; BILLBOARD RENTALS

The list of exemptions from the personal property rental classification of transaction privilege taxes is expanded to include leasing or renting billboards that are designed, intended or used to advertise or inform and that are visible from any street, road or other highway.

SB 1350 (Chapter 208) ONLINE LODGING MARKETPLACES; TAXATION ~~(TECH CORRECTION; TAXATION)~~

Establishes the "online lodging marketplace" (defined) transaction privilege tax classification, and establishes the tax base for the online lodging marketplace classification as the gross proceeds of sales or gross income derived from the business measured by the total amount charged for an "online transient lodging transaction" by the "online lodging operator" (both defined). Establishes a transaction privilege tax rate of 5.5 percent of the tax base for the business of every person engaging or continuing in the online lodging marketplace classification and who has entered into an agreement with the Department of Revenue (DOR) to register for or has otherwise obtained a license to collect tax from DOR. For the purposes of transaction privilege and affiliated excise taxes and local excise taxes, an online lodging marketplace is authorized to register with the DOR for the payment of taxes levied by the state and by one or more counties, municipalities and special taxing districts, at the election of the marketplace, for taxes due from an online lodging operator on any online lodging transaction facilitated by the marketplace. An online lodging marketplace that is registered with DOR is required to report the applicable taxes monthly and remit the aggregate total amounts for all of the respective taxing jurisdictions, and is not required to list or otherwise identify any individual online lodging operator on any return or any attachment to a return. A person who is licensed by the Real Estate Department and registered with DOR as an online lodging marketplace is required to file a consolidated return monthly with respect to all managed properties for which the licensee files an electronic consolidated tax return, and remit to DOR the aggregate total amount of the applicable taxes payable for all of the respective taxing jurisdictions with respect to the managed properties. An online lodging operator is entitled to an exclusion from any

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applicable taxes for any online lodging transaction facilitated by an online lodging marketplace for which the operator has obtained written notice that the marketplace is registered with DOR to collect applicable taxes for all online lodging transactions facilitated by the marketplace. DOR is prohibited from disclosing information provided by an online lodging marketplace without the written consent of the marketplace. The list of exclusions from the transient lodging classifications of transaction privilege taxes are expanded to include the activities of any online lodging marketplace, and the gross proceeds of sales or gross income received by an online lodging marketplace from any online lodging transaction for which the online lodging operator has received written notice or documentation from a registered online lodging marketplace that it has or will remit the applicable tax to DOR must be deducted from the tax base for the transient lodging classification. Real and personal property that is owned and occupied as the primary residence of the owner who also uses the property for lease or rent to lodgers is classified as class 3 property for property tax purposes. Counties and municipalities are prohibited from prohibiting “vacation rentals” or “short-term rentals” (both defined) and from restricting the use of or regulating vacation rentals or short-term rentals based on their classification, use or occupancy. Counties and municipalities are authorized to regulate vacation rentals if the regulation is for specified purposes. Municipalities or other taxing jurisdictions are prohibited from levying a transaction privilege or other similar tax or fee on the business of operating an online lodging marketplace or on any online lodging transaction facilitated by an online lodging marketplace or on any online lodging operator with respect to any online lodging transaction for which the jurisdiction has received written notice that the marketplace has or will remit the applicable tax to DOR. Municipalities or other taxing jurisdictions are authorized to levy a transaction privilege or other similar tax or fee as provided by the model city tax code on online lodging operators subject to a list of conditions. For tax periods beginning with January 1, 2018, a municipality that levies a transaction privilege tax on online lodging marketplaces is required to allow persons who are licensed with DOR to file electronic consolidated tax returns, subject to a list of specified conditions. Establishes a 16-member Joint Legislative Study Committee on Transient Lodging to consider state and local government laws and regulations on the various types of accommodations used for transient lodging and report its findings and recommendations to the Governor and the Legislature by December 15, 2017 and each year after. The Committee terminates on January 1, 2021. Also establishes a Hospitality Studies Scholarship Fund to be administered by the Arizona Board of Regents (ABOR). ABOR is authorized to partner with any statewide lodging and tourism association that provides matching monies to administer the Fund. Fund monies must be used to provide financial assistance to students entering into or enrolled in a “hospitality studies program” (defined) at a university under the jurisdiction of ABOR. This legislation does not affect the rights and obligations under any existing agreement to pay taxes to a taxing jurisdiction in effective before the effective date of this legislation, and does not entitle an online lodging marketplace to a refund of any taxes or fees collected and paid to a taxing jurisdiction before the effective date of this legislation. Effective January 1, 2017.

SB 1398 (Chapter 163) FUEL TAXES; STREETS & HIGHWAYS

A county receiving Highway User Revenue Fund monies is required to publish an annual financial report containing budgeted and actual expenditures of funds received from motor vehicle fuel and use fuel taxes. The report must cover the preceding fiscal year and must be distributed by December 31.

SB 1487 (Chapter 35) STATE LAW; LOCAL VIOLATIONS; PENALTIES

At the request of a member of the Legislature, the Attorney General is required to investigate any official action taken by the governing body of a county or municipality that the member alleges violates state law or the state Constitution. If the Attorney General concludes that there is a violation, the Attorney General is required to notify the county or municipality of the violation by certified mail and provide 30 days to resolve the violation. If the county or municipality fails to resolve the violation within 30 days, the Attorney General is required to notify the State Treasurer, who must withhold and redistribute state shared monies from the county or municipality. The Attorney General is required to continue to monitor the response of the governing body, and when the violation is resolved, is required to notify the Governor and the Legislature and notify the State Treasurer to restore the distribution of state shared revenues to the county or municipality. If the Attorney General concludes that there may be a violation, the Attorney General is required to file a special action in Supreme Court to resolve the issue, and the Supreme Court is required to give the action precedence over all other cases. The Court must require the county or municipality to post a bond equal to the amount of state shared revenue paid to the county or municipality in the preceding six months.

SB 1523 (Chapter 173) TRUTH IN TAXATION; LEVY INCREASES

If a proposed primary property tax levy, exclusive of increased property taxes received from new construction, constitutes an increase over the preceding tax year's levy by 15 percent or more, the motion to levy the increased property taxes must be approved by a unanimous roll call vote of the school district governing board or local governing body.

*Bills that Failed***HB 2005 TAX ABATEMENT; NO PARCEL NUMBER**

The list of circumstances for abating a tax a removing a lien is expanded to include failure by the county assessor to assign a valid property tax parcel identification number.

HB 2008 EXTRACURRICULAR ACTIVITY CREDIT; OPTIONAL FEES

For the purpose of the income tax credit for contributions to public schools, the definition of "extracurricular activities" is modified to include any optional, noncredit, educational or recreational activity that supplements the education program of the school, whether offered before, during or after regular school hours, and which may require enrolled students to pay a fee to participate.

HB 2018 OPTIONAL INDIVIDUAL FLAT INCOME TAX

For tax years 2017 through 2021, in lieu of regular state income tax, an Arizona resident taxpayer who files as a single person and whose Arizona gross income for the tax year does not exceed \$25,000 may elect to compute and pay income tax at a rate of one percent of income. A taxpayer who elects to do so is prohibited from making any addition or claiming any subtraction, exemption, deduction or credit under regular income tax statutes, including the standard deduction and personal exemption. Would have been effective January 1, 2017.

HB 2026 MUNICIPAL TAX EXEMPTION; RESIDENTIAL LEASE

Municipalities with a population of more than 100,000 persons located entirely within a county with a population of more than 500,000 persons (Maricopa and Pima) are prohibited from levying a transaction privilege or other similar tax or fee on the business of renting or leasing real property for residential purposes. A municipality or other taxing jurisdiction that levies a tax or fee on the business of renting or leasing real property for residential purposes on January 1, 2016 is prohibited from increasing the rate of the tax or fee and is required to annually reduce the rate by 25 percent of the initial rate for four consecutive years beginning on July 1, 2017 and each July 1 thereafter. Beginning July 1, 2020, municipalities and other taxing jurisdictions are required to repeal any tax or fee on the business of renting or leasing real property for residential purposes. Would have been Retroactive to January 1, 2016. The impact of this bill would have been a decrease of \$6 million in revenue a year to Glendale.

HB 2028 TAXES; PAYMENT; CONDEMNED PROPERTY

If a municipality, county, school district, community college district, special taxing district, the state or any agency or instrumentality of the state acquires real or personal property by condemnation, that entity is not required to pay unpaid taxes, penalties and interest in an amount that exceeds the fair market value of the property interest acquired.

HB 2043 LEGAL TENDER EXCHANGE; TAX EXCLUSION

The lists of subtractions from Arizona gross income for individual and corporate income taxes are expanded to include the amount of any net capital gain included in federal adjusted gross income for the tax year that is derived from the exchange of one kind of legal tender for another kind of legal tender. The list of additions to Arizona gross income for income tax purposes is expanded to include the amount of any net capital loss included in federal adjusted gross income for the tax year that is derived from the exchange of one kind of legal tender for another kind of legal tender. For these purposes, "legal tender" is defined as a medium of exchange, including "specie (defined as coins having precious metal content), that is authorized by the U.S. Constitution or Congress for the payment of debts, public charges, taxes and dues. For these purposes, any coins, paper money or other monies considered legal tender must be exchanged either at face value or at an amount based on the fair market value of the metal content. Effective for tax years beginning with 2017.

HB 2055 CLASS SIX PROPERTY; ELDERLY HOMEOWNERS

The list of property classified as class six for property tax purposes is expanded to include real and personal property and improvements to the property that are used as the owner's primary residence, that are owned by an individual who qualifies for property valuation protection under the state Constitution (for which a person must be age 65 or older), and that are valued at full cash value. Other requirements to qualify for this classification are specified. Does not apply to real property and improvements with a full cash value of \$600,000 or more unless the property qualified for valuation protection under the state Constitution as of December 31, 2016.

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HB 2150 CAR RENTAL SURCHARGE; LIABILITY

If a court of competent jurisdiction makes a final determination that the car rental surcharge collected by the Department of Revenue is unconstitutional, a car rental company that collected the surcharge from a car rental customer is not liable in any civil action for a refund of the monies collected before the law was declared unconstitutional or for any damages that are a direct result of the determination that the surcharge is unconstitutional.

HB 2185 PROPERTY TAX; HOTELS & MOTELS

Real and personal property and improvements that are used primarily for operating a hotel, motel, campground or similar lodging facility for transient occupancy of guests who rent lodging space on a temporary basis for fewer than 30 consecutive days is classified as class 6 property for property tax purposes.

HB 2232 JOB TRAINING FUND; LOTTERY REVENUES

Eliminates the delayed repeal of the Arizona Job Training Program, which was set to occur on January 1, 2017. Of monies remaining in the State Lottery Fund after other statutory distributions, \$3.5 million must be deposited in the Arizona Job Training Fund, instead of the Arizona Competes Fund. Appropriates \$3.5 million from the general fund in FY2016-17 and each FY after to the Arizona Competes Fund.

HB 2258 MOBILE HOME LANDLORD TENANT; AMENDMENTS

Various changes to the Mobile Home Parks Residential Landlord and Tenant Act. For utilities that are billed through one or more master meters, a municipality, county or other political subdivision cannot assess or collect a tax on the landlord's utility charges to the tenant if the landlord pays all applicable taxes at the time the landlord purchases the utility through the master meter. A tenant who has a person with a disability as an approved member of the tenant's household is permitted to request that the landlord provide a reasonable accommodation to pet or other restrictions to allow an "assistive animal" (defined), and a landlord is required to grant a tenant's reasonable accommodation request unless it would cause the landlord an undue burden. If a tenant who was sole owner of the mobile home dies during the term of the rental agreement, the tenant's heirs or other legal representative has the right to become a tenant if qualified and approved, and has the right to sell the mobile home in compliance with the rental agreement. After a writ of restitution or writ of execution is executed, the landlord is required to allow the tenant to have access to the tenant's mobile home to recover personal possessions during reasonable business hours for 21 days after the writ is executed.

HB 2267 PRIME CONTRACTING CLASSIFICATION; REPEAL

Effective January 1, 2017, the prime contracting transaction privilege tax classification is eliminated and replaced with the manufactured building dealer classification for the business of selling manufactured buildings. Many of the deductions from the tax base for this tax classification are eliminated. The sale of tangible personal property to a contractor or the purchase of tangible personal property by a contractor, regardless of whether it will be incorporated into a building or structure, is considered to be a sale or purchase at retail and is subject to taxation under the retail classification of transaction privilege taxes unless the personal property purchased will be used for a purpose that is otherwise exempt. Municipalities

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are prohibited from assessing a transaction privilege or other excise tax on the business of contracting or on the gross proceeds of sales or gross income derived from the sale of tangible personal property to a licensed contractor for use in any project for which a building permit is required. A tax is levied on the gross proceeds of sales or gross income derived from the sale of tangible personal property to a licensed contractor for use in any project for which a building permit is required at a rate of two percent of the tax base. The Department of Revenue is required to collect this tax on behalf of and distribute the tax revenues to municipalities based on their proportionate share of the total value of building permits issued by all municipalities during the prior fiscal year. This legislation does not apply to or affect the tax liability with respect to contracts that were entered into before January 1, 2017.

HB 2299 CLASS SIX PROPERTY; ELDERLY HOMEOWNERS

The list of property classified as class six for property tax purposes is expanded to include real and personal property and improvements to the property that are used as the owner's primary residence, that are owned by an individual who qualifies for property valuation protection under the state Constitution (for which a person must be age 65 or older), and that are valued at full cash value. Other requirements to qualify for this classification are specified.

HB 2319 INDIAN TRIBES; TPT REVENUES

Each Indian tribe in the state is to receive 50 percent of transaction privilege tax collections from its reservation. Funds are to be used for telecommunications infrastructure and community development projects. The remainders of collections are deposited in the state general fund.

HB 2406 CANNABIS; REGULATION; TAXATION

Establishes a new article in Title 36 (Public Health) regulating cannabis for personal use, including allowing a person who is at least 21 years of age to possess, consume, use, display, purchase or transport one ounce or less of cannabis and grow and transport up to five cannabis plants. Establishes regulations for personal cultivation of cannabis plants and prohibits public smoking of cannabis. Also establishes regulations for cannabis establishments, including registration with the Department of Health Services. Levies a tax on the sale or transfer of cannabis from a cannabis cultivation facility to a retail cannabis store or cannabis product manufacturing facility at the rate of \$50 per ounce, to be adjusted annually for inflation or deflation. Provides for distribution of tax revenues as follows: 30 percent to the Department of Education, 20 percent to the Department of Health Services, and 50 percent to the general fund. Due to a potential increase in state revenue, this bill requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

HB 2417 PUBLIC MONIES; PROHIBITED EXPENDITURES

The Department of Administration is prohibited from spending public monies, directly or indirectly, to pay all or part of federal excise taxes imposed on high cost employer-sponsored health coverage.

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HB 2439 PROPERTY TAX VALUATION

For property tax purposes, the definition of "assessed valuation" is modified to mean the value derived by applying the applicable percentage to the limited property value of the property, instead of to the full cash value or limited property value, as applicable.

HB 2493 USE FUEL TAXES; ADJUSTMENT

The use fuel tax of 18 cents per gallon imposed on fuel used in propulsion of a light class motor vehicle is eliminated, and fuel used in propulsion of a light class motor vehicle is subject to the same use fuel tax rate as a use class motor vehicle, at a rate of 26 cents per gallon. The owner of a light class motor vehicle or a use class motor vehicle that is propelled by use fuel and are exempt from the weight fee are eligible at the time of vehicle registration to collect a use fuel tax adjustment of \$7 per registration year. A person who sells use fuel for delivery directly into a vehicle fuel tank is no longer required to be licensed as a vendor. Requirements for vendor receipts, records and refunds are repealed.

HB 2563 TECH CORRECTION; MUNICIPAL EXCISE TAX

Minor change in Title 42 (Taxation) related to municipal excise taxes.

HB 2598 TPT; MUNICIPALITIES; CUSTOMER REFUND CLAIMS

A customer who paid to a "vendor" (defined) an amount equal to a transaction privilege tax that was passed on by the vendor to the customer or who paid a use tax to a vendor is permitted to file a claim for a refund of the tax if the vendor assigns to the customer its right to claim an amount equal to any tax and interest that the vendor could otherwise claim. The process for customers to file claims under these provisions is specified. If a vendor fails or refuses to assign its right to a claim within 60 days of the customer's written request or if the vendor is no longer in business, the customer may provide the Department of Revenue or municipal tax collector with a statement explaining the efforts made to obtain an assignment from the vendor, which must contain specified information. The Department or tax collector must attempt to notify the vendor of the claim and continue processing the claim. On paying or crediting monies to the customer pursuant to the claim, the Department or tax collector must amend the vendor's returns or account to reflect the amount paid or credited. The Department or tax collector may disallow a claim filed by a customer if the Department already paid or credited a refund arising from the same transaction. The Department or tax collector is required to notify the customer and the vendor of any disallowed claim.

HB 2606 APPROP; HIGHWAY USER REVENUE FUND

Appropriates \$30 million from the general fund in FY2016-17 to the Highway User Revenue Fund for distribution to counties and municipalities in specified percentages. The monies must be used only for the direct costs of constructing, reconstructing, maintaining or repairing public highways, streets or bridges and direct costs of rights-of-way acquisitions and related expenses.

HB 2619 INCOME TAX CREDIT; HISTORIC PRESERVATION

Appropriates \$30 million from the general fund in FY2016-17 to the Highway User Revenue Fund for distribution to counties and municipalities in specified percentages. The monies must be used only for the direct costs of constructing, reconstructing, maintaining or repairing public highways, streets or bridges and direct costs of rights-of-way acquisitions and related expenses.

HB 2669 TPT EXEMPTIONS; HEALTH SCIENCES INSTITUTIONS

The list of exemptions from the utilities classification of transaction privilege taxes is expanded to include the gross proceeds of sales or gross income derived from sales to a qualifying health sciences educational institution. The list of deductions from the tax base for the restaurant classification of transaction privilege taxes is expanded to include sales to a qualifying health sciences educational institution.

HB 2693: TPT CLASSES; INCOME TAX REDUCTION

Levies a five percent transaction privilege tax (TPT) on personal services and financial services, which were previously exempt from state TPT. Personal services include beauty and nail salons, funeral and other death care, laundry and garment services, carpet cleaning, pet grooming, parking, home and auto maintenance and repair, personal accounting, photographic services, weight and fitness facilities, job training, child care, and other personal services. Financial services includes banks and credit unions, mortgage brokers, holding companies, investment companies, credit intermediation, trust and fiduciary activities, and all other financial investment activities. Beginning with tax year 2018, establishes new reduced income tax rates for all tax brackets. Also increases the subtraction from Arizona gross income for income tax purposes for net long-term capital gains to 37.5 percent, from 25 percent.

SB 1012 COUNTY MOTOR VEHICLE FUEL TAXES

Counties are authorized to levy by ordinance a tax on wholesale motor vehicle fuel and wholesale use fuel sold in the county of up to 3 percent of the total sale of motor vehicle fuel or use fuel. By June 15 of each fiscal year, the Department of Transportation is required to transfer monies deposited in the Highway User Revenue Fund as a result of county-imposed fuel tax to the county in which the tax was collected.

SB 1013 LOTTERY; FUNDING; LTAF; RESTORATION

Establishes the Local Transportation Assistance Fund (LTAF) and requires the Legislature to appropriate an amount necessary to provide that the total monies available in LTAF for each fiscal year (FY) equal \$20.5 million. The State Treasurer is required to pay municipalities a maximum of \$23 million each FY from the available monies in LTAF in proportion to the population of each municipality, except that each municipality is entitled to receive at least \$10,000. The State Treasurer is also required to distribute up to \$18 million each FY to counties. Establishes the County Assistance Fund and specifies distributions from the Fund. Establishes the State Parks Board Heritage Fund, and requires the Heritage Fund to be administered by the State Parks Board for specified purposes. State Lottery Fund (SLF) monies must be used to reimburse the general fund for payment to LTAF of \$18 million each FY. Of the monies remaining in the SLF, up to a maximum of \$23 million each FY must be deposited in the general fund to be used to offset reimbursements to LTAF and up to a maximum of \$7.65 million each FY must be deposited in the general fund to be used to offset

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reimbursements to the County Assistance Fund. Of the monies remaining in SLF, \$10 million must be deposited in the Heritage Fund. Monies equivalent to the amount of SLF monies specified must be transferred from the general fund to the other funds specified at the beginning of each FY.

SB 1094 JLBC REVENUE IMPACT REPORT; MUNICIPALITIES

The report of revenue impact analysis that the Joint Legislative Budget Committee is required by 2013 legislation reforming transaction privilege tax statutes to prepare is no longer required to include an estimated impact on revenues for counties and municipalities.

SB 1176 CORPORATE INCOME TAX REDUCTIONS; SUSPENSION

In lieu of the statutory income tax rates for corporations, a tax is levied on the entire Arizona taxable income of every corporation, unless specifically exempt by law, in an amount of 5.5 percent of net income or \$50, whichever is greater, until the Superintendent of Public Instruction determines that either the per student general fund expenditures for K-12 education are at least equal to the median per student general fund expenditures for K-12 education among the 50 states, at least 94 percent of the 3rd grade students in Arizona are reading at or higher than the 3rd grade reading level, or the statewide high school graduation rate for the preceding school year was at least 93 percent.

SB 1177 TAX CREDITS; SUNSET

Any new transaction privilege or use tax credit established by the Legislature is required to include in its enabling legislation a specific repeal date of from and after December 31 of the 10th full calendar year following the date the credit is enacted. Establishes a repeal or termination date of January 1, 2027 for various existing TPT credits. Any new individual or corporate income tax credit established by the Legislature is required to include a specific repeal date of from and after December 31 of the 10th full calendar year following the date the credit is enacted. The Joint Legislative Income Tax Credit Review Committee is renamed the Joint Legislative Income Tax Credit Sunset Review Committee, and if the Committee recommends that a credit be retained, the credit must be assigned a subsequent repeal date. Numerous existing tax credits are repealed each tax year beginning in 2018 through tax year 2027. Due to a potential increase in state revenue, this bill requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

SB 1178 TAX EXEMPTIONS AND DEDUCTIONS; SUNSET

Beginning January 1, 2027, most tangible and personal property previously exempt or deducted from transaction privilege and use taxes is no longer exempt or deductible from the tax base. Due to a potential increase in state revenue, this bill requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

S1209: FIRE DISTRICTS; VEHICLES; SALES TAX

The list of exemptions from the retail classification of transaction privilege and use taxes is expanded to include the sale of emergency motor vehicles and emergency equipment to a fire district.

SB 1215 INCOME TAX; COLLEGE TUITION DEDUCTION

Beginning with tax year 2017, in computing taxable income a "qualifying taxpayer" (defined as a taxpayer whose Arizona adjusted gross income does not exceed \$80,000 for a single individual or head of household, or \$160,000 for a married couple filing jointly) may deduct expenses of up to \$2,500 paid by the taxpayer during the tax year for tuition to a state university or public community college in this state.

SB 1264 SMALL BUSINESS INCOME; TAX SUBTRACTION

The list of subtractions from Arizona gross income for income tax purposes is expanded to include 50 percent of the taxpayer's small business investor income in the tax year. The amount of the subtraction cannot exceed \$125,000 of "business income" (defined) received by each taxpayer during the tax year from the "qualifying small business" (defined). Business income is eligible for subtraction only if received during the first 60 months following its organization as a qualifying small business. Retroactive to tax years beginning with 2016. Provides for retroactive application to business income received from a qualifying small business that was organized before December 31, 2015.

SB 1378 PROHIBITED MONEY TRANSFERS; IMMIGRATION; VIOLATIONS

The State Treasurer is prohibited from transferring any monies from the general fund or any other fund to a municipal or county treasurer if the municipality or county is a "sanctuary city" (defined). By January 1 of each year, every municipal and county treasurer is required to attest that the treasurer's municipality or county is not a sanctuary city. The Attorney General of county attorney may investigate to determine if a municipality or county is a sanctuary city, and a citizen is permitted to make a request for an investigation.

SB 1383 MUNICIPAL TAX; AUTOMOBILES; INDIAN RESERVATIONS

The list of items that municipalities and special taxing districts are prohibited from levying a transaction privilege or other similar tax on is expanded to include the sale of a motor vehicle to an enrolled member of an Indian tribe who resides on the Indian reservation established for that tribe.

SB 1423 GOLD & SILVER COINS; TAXATION

The exchange of gold or silver coins does not give rise to liability for any type of tax. Gold and silver coins are money and are not subject to taxation except as may be required by the state Constitution.

SB 1431 PROPERTY TAX; DISABLED VETERANS' RESIDENCES

Real and personal property and improvements to the property that are used as the primary residence of a qualifying veteran with a disability that is owned by the veteran and/or the veteran's spouse is classified as class nine property for property tax purposes. Requirements for the property to be classified as class nine under this qualification are specified.

SB 1493 STATE HIGHWAY CONSTRUCTION; TAX CREDITS

Establishes an individual and corporate income tax credit for taxpayers who participate in financing the construction, reconstruction or renovation of eligible transportation facilities. The Department of Transportation is required to administer the credit and use the sale of the credits to finance the construction, reconstruction or renovation of eligible transportation facilities in Arizona. The tax credits may be awarded through a bidding process. The annual amount of tax credits that may be awarded each year is prescribed by the Legislature as part of the annual state budget. All or part of any unclaimed amount of a credit may be sold or otherwise transferred under specified conditions. If the allowable credit exceeds taxes due, the unused amount may be carried forward for up to five consecutive tax years.

SB 1517 CULTURAL DISTRICTS; TPT EXEMPTION

The Arizona Commission on the Arts is required to adopt standardized criteria for use by municipalities to establish Arizona cultural districts within their respective boundaries for the purpose of revitalizing a community by creating a hub of cultural activity. The Commission is required to determine whether a district proposed and established by a municipality meets the criteria adopted and qualifies as an Arizona cultural district for the purposes of tax incentives. The Arizona cultural districts program terminates on July 1, 2026. The list of exemptions from the retail classification of transaction privilege and use taxes is expanded to include sales of original, one-of-a-kind "works of art" (defined) by an established retailer located in the boundaries of an Arizona cultural district.

Land Use Planning

New Laws

HB 2076 (Chapter 93) ANNEXATION; SINGLE PROPERTY OWNER; EXCEPTION

For the purposes of municipal annexation, a territory is considered contiguous if the territory adjoins the exterior boundary of the annexing municipality for at least 300 feet, if all of the real property in the territory is owned by one person, and the municipality and the property owner agree to the annexation.

HB 2146 (Chapter 62) MUNICIPALITIES; PROPERTY SALE THRESHOLD; ELECTION

The value of real property being sold by a municipality that triggers a special election for voter approval of the sale is increased to \$1.5 million, from \$500,000. Additionally, the article of statute governing disincorporation of a municipality and providing for board of trustees government after disincorporation are repealed on January 1, 2017. A legislative intent section states that a 2014 Attorney General opinion found the certain voting provisions of the disincorporation statutes violated the equal protection clause of the U.S. Constitution and election laws of this state.

SB 1235 (Chapter 111) CONSIDERATION OF PROPERTY RIGHTS; ZONING

The legislative body of a municipality and the county board of supervisors are required to consider the individual property rights and personal liberties of the residents of the municipality or county before adopting any zoning ordinance.

SB 1504 (Chapter 59) DROP BOX; PRIVATE PROPERTY; CONSENT

Any person that places a "drop box" (donation box) on private property is required to obtain notarized approval signed by the property owner or an authorized agent before placing the drop box on the property. All drop boxes are required to display, in a clear and conspicuous manner, the name of the person that owns the drop box and the person's contact information. The private property owner or the owner's agent may rescind permission for the placement of a drop box at any time, and the drop box owner is required to remove the drop box within 10 business days after receipt of a notification of the decision to rescind permission. Any drop box placed on private property without notarized consent may be removed and disposed of at any time without notification. A private property owner or the owner's agent who removes a drop box is not liable for the losses associated with the removal of a drop box and its contents. Some exceptions. Contains a legislative findings section.

Bills that Failed

HB 2051 CATASTROPHIC PUBLIC NUISANCE; DETERMINATION; ABATEMENT

The mayor of a municipality may determine that a "catastrophic public nuisance" (defined) exists on state or federal land located within the municipal borders, and the chairman of the county board of supervisors or the county sheriff may determine that a catastrophic public nuisance exists on state or federal land located within the county borders. Factors that may be considered in evaluating whether a catastrophic public nuisance exists are listed. On determining that a catastrophic public nuisance exists, the official must notify the federal or

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state agency that manages the land, and the notice must include specified information, including a demand that the agency either abate or make a plan to abate the catastrophic public nuisance by a specified date at least 30 days after the date the notice is received. If the agency does not respond by that date or otherwise does not take action, and if the nuisance constitutes a threat to public health, safety and welfare, the official must pursue all remedies allowed by law.

HB 2081 PERSONAL PROPERTY TRANSFER; LIMITATIONS PROHIBITED

The state, counties and municipalities are prohibited from requiring as a condition of a private sale, gift, donation or other transfer of personal property that the property owner search or facilitate the search of any federal or state databases or that a third party be involved.

HB 2161 TECH CORRECTION; MUNICIPAL PLATTING

Minor change in Title 9 (Cities and Towns) related to municipal platting.

SB 1221 TECH CORRECTION; MUNICIPAL PLATTING

Minor change in Title 9 (Cities and Towns) related to municipal platting.

SB 1290 SCHOOL BUILDINGS; AIRPORTS

Municipalities and counties must require schools operated by school districts and charter schools that are located near an airport to show that a determination of no hazard has been issued by the Federal Aviation Administration as part of the life and safety building codes permitting process. Municipalities and counties are authorized to enact and enforce zoning and land use regulations that prohibit schools operated by school districts and charter schools from locating within an airport's published 60 day-night average decibel level contour area or a comparable airport established zone. Does not apply to schools existing as of January 1, 2015 unless the school seeks to build a structure that is higher than the current facility.

Military Preservation

New Laws

HB 2019 (Chapter 90) CREDITED SERVICE; MILITARY SERVICE PURCHASE

Members of the Elected Officials Retirement Plan, Public Safety Personnel Retirement System and Corrections Officer Retirement Plan are permitted to purchase credited service for periods of active military service if the member has at least 5 years of credited service with the applicable plan, decreased from 10 years. Retroactive to August 2, 2012 and only until July 1, 2017, for PSPRS, EORP and CORP, the discount rate used by the actuary for the calculation of the actuarial present value of the projected benefits is an amount equal to the assumed rate of return that is prescribed by the PSPRS Board.

HB 2033 (Chapter 319) POST-9/11 VETERAN EDUCATION RELIEF FUND

Establishes the Post-9/11 Veteran Education Relief Fund consisting of private donations, grants and other monies, to be administered by the Department of Veterans' Services. Monies in the Fund must be used to provide financial assistance to "qualifying military veterans" (defined). Establishes a 9-member Post-9/11 Veteran Education Relief Advisory Committee to establish criteria for the use of monies in the Fund, establish the application process for financial assistance from the Fund and review and evaluate applications. Committee members are appointed by the Governor to two-year terms. Session law provides for initial terms of Committee members. The Committee terminates on July 1, 2024.

HB 2153 (Chapter 213) VLT EXEMPTION; MILITARY MEMBERS; SPOUSES

Beginning January 1, 2017, an Arizona resident who is a surviving spouse or "dependent" (defined) of a deceased member of the U.S. military who was killed in the line of duty or who died from injuries suffered in the line of duty is exempt from vehicle license taxes and registration fees.

SB 1267 (Chapter 313) MILITARY SERVICE; POSTSECONDARY ACADEMIC CREDIT

The Arizona Board of Regents and each community college district governing board is required to develop policies to require state universities and community colleges to award academic credit that a current or former "member of the U.S. military" (defined) may use toward the pursuit of a baccalaureate or associate degree. The number of academic credits must be based on the military member's length of time of active duty service and his/her skills, knowledge and competencies acquired during military service.

Bills that Failed

HB 2009 VETERAN-OWNED BUSINESSES; PROCUREMENT PREFERENCE

The Department of Administration is required to establish a "veteran-owned business" (defined) participation goal of awarding state contracts to veteran-owned businesses. The

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participation goal is at least 1.5 percent for the year beginning on January 1, 2017 and increases to 3 percent or more for every year after.

HB 2105 VETERANS WITH DISABILITIES; BENEFITS

The Game and Fish Commission is authorized to issue a complimentary license to a veteran of the U.S. armed forces who has been an Arizona resident for at least one year and who is receiving compensation from the U.S. government for permanent service-connected disabilities rated as at least 25 percent disabling, instead of 100 percent disabling. A veteran certified by the U.S. Department of Veterans Affairs as having at least a 25 percent disability, instead of 100 percent, is exempt from vehicle license taxes and registration fees for a personally owned vehicle. The Arizona State Parks Board is required to issue at no charge a parks pass that grants park entrance to all Arizona state parks and to waive camping and overnight parking fees for up to 10 days per month for a veteran with a service-connected disability of at least 25 percent.

HB 2195 UNPAID LEAVE; EMPLOYEE; MILITARY FAMILY

Employers are required to provide up to 2 consecutive weeks of unpaid leave in a 12 month period to an employee who makes a written request for the leave at least 2 weeks in advance and the employee has an immediate family member who served in a combat zone within the 90 days preceding the date of the request and who is either an active duty member of the U.S. Armed Forces on military leave or was honorably discharged from the U.S. Armed Forces.

HB 2520 PROFESSIONAL LICENSURE; RECIPROCITY; MILITARY SPOUSES

Deletes several requirements for reciprocal licensure for spouses of an active duty member of the U.S. armed forces who accompany the member to an official permanent change of station to a military installation in Arizona. Requires a reciprocal license or certificate for a military spouse to be issued within 72 hours of application if no criminal background check is required, or within 120 hours if a criminal background check is required.

SB 1164 G&F; LICENSES; VETERANS

The Game and Fish Department is required to award a bonus point to a person who submits satisfactory proof to the Department that the person is an honorably discharged veteran of the U.S. Armed Forces.

Neighborhoods

*New Laws***HB 2107 (Chapter 287) STRUCTURED SOBER LIVING HOMES (SUBSTANCE ABUSE RECOVERY HOMES)**

Municipalities and counties are authorized to adopt by ordinance standards for "structured sober living homes" (defined) that comply with state and federal fair housing laws and the Americans with Disabilities Act. If adopted, the standards may include a list of specified provisions, including supervision requirements and the establishment and maintenance of an operation plan. Municipalities and counties that adopt standards for structured sober living homes are authorized to exclude from regulation any structured sober living home that is subject to adequate oversight by another governmental entity or contractor.

*Bills that Failed***H2372: LIQUOR LICENSES; STORES; PROXIMITY; EXCEPTION**

The list of liquor licensees exempt from statutory restrictions on licensed premises being near school or church buildings is expanded to include a grocery store that contains at least 4,500 square feet of retail space, that derives less than 50 percent of its gross revenue from the sale of spirituous liquor and that offers fresh produce for sale.

Public Safety/Courts

New Laws

HB 2001 (Chapter 6) UNLAWFUL DISTRIBUTION OF PRIVATE IMAGES

It is a class 5 (second lowest) felony to intentionally “disclose” (defined) an “image” (defined as a photograph, videotape, film or digital recording) of another person who is identifiable from the image itself or from information displayed in connection with the image if the person in the image is depicted in a state of nudity or is engaged in specific sexual activities, the depicted person has a reasonable expectation of privacy, and the image is disclosed with intent to harm, harass, intimidate, threaten or coerce the depicted person. If the image is “disclosed by electronic means” (defined), the classification is increased to a class 4 (mid-level) felony. Does not apply to any disclosure that is made with the consent of the person who is depicted in the image. A person who threatens to disclose but who does not disclose an image that if disclosed would be a violation of these provisions is guilty of a class 1 (highest) misdemeanor. It is no longer a class 5 (second lowest) felony to disclose an image of another person in a state of nudity or engaged in specific sexual activities without that person’s consent if the person is not recognizable. A prosecution commenced before the effective date that charges a violation of this statute may only proceed if the alleged conduct constitutes prohibited conduct under these changes. The bill had an emergency clause making it immediately effective March 11, 2016.

HB 2030 (Chapter 285) LIQUOR PREMISES; FIREARMS; RETIRED OFFICERS

The list of persons permitted to be in possession of a firearm while on the licensed premises of an on-sale liquor retailer is expanded to include a retired peace officer or an honorably retired law enforcement officer who has been issued a certificate of firearms proficiency. Also allows the Department of Liquor Licenses and Control to issue a temporary permit of any series to a trustee in bankruptcy to acquire and dispose of the spirituous liquor of a debtor.

HB 2031 (Chapter 91) LIQUOR PURCHASES; OTHER STATE IDENTIFICATION

The list of acceptable types of identification for the purpose of purchasing liquor is modified so that a form of identification license issued by another state or territory is no longer required to be reissued within 30 days after the person turns 21 years of age. The bill had an emergency clause making it effectively immediately on April 5, 2016.

HB 2032 (Chapter 175) SPEED LIMITS; LOCAL AUTHORITY

A local authority is permitted to increase or decrease the reasonable and safe maximum speed limit on streets that are adjacent to or otherwise surrounding school grounds or public parks, instead of only streets adjacent to school grounds.

HB 2074 (Chapter 178) PUBLIC SAFETY EMPLOYEES; OMNIBUS

Various changes relating to public safety employees. Neither a public entity nor a public employee is liable for an injury caused by a peace officer if the injury was caused by any act or omission while rendering emergency care at the scene of an emergency occurrence, unless the officer intended to cause injury or was grossly negligent. The Firefighter, Peace Officer and Corrections Officer Cancer Insurance Program is renamed the Public Safety Cancer Insurance

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Program. Employees of "other members" (defined elsewhere in statute) of the Corrections Officer Retirement Plan are eligible to participate in the Program.

HB 2103 (Chapter 94) DOMESTIC VIOLENCE SERVICE PROVIDERS (~~TECH CORRECTION; CONTACT WITH RELATIVES~~)

Statute relating to domestic violence shelters is modified to instead apply to "domestic violence service providers," defined as a facility whose primary purpose is to provide services to family or household members who are victims of domestic violence, including shelter, victim advocacy, and other support services. Domestic violence service providers are eligible to receive monies from the renamed Domestic Violence Services Fund, formerly the Domestic Violence Shelter Fund, and other eligibility requirements are modified.

HB 2154 (Chapter 95) FAILURE TO APPEAR; ARREST; FINGERPRINTING

The "booking agency" (defined as the county sheriff or municipal law enforcement agency), instead of the arresting authority, is required to take legible ten-print fingerprints of all persons arrested for specified offenses. If a person is summoned to court as a result of an indictment or complaint for those offenses, the court is required to order the person to appear before the county sheriff and provide legible ten-print fingerprints. If a person is arrested by a municipal law enforcement agency for one of those offenses that is a misdemeanor offense, the person is required to appear before that agency and provide legible ten-print fingerprints. Effective January 1, 2017.

HB 2165 (Chapter 64) PEACE OFFICER MEMORIAL BOARD; MEMBERS

The membership of the Arizona Peace Officers Memorial Board is modified to allow the Attorney General, the Director of the Department of Public Safety, the Director of the Department of Corrections, the Executive Director of the Arizona Criminal Justice Commission, and the county sheriff and local police chief who are appointed to the Board to have a designee serve on the Board in their place.

HB 2197 (Chapter 183) FIRE DISTRICTS; MERGER; CONSOLIDATION

Beginning with FY2016-17, the maximum amount of fire district assistance tax (FDAT) monies that a consolidated fire district may receive is the sum of the average of the amount of FDAT monies received by each of the consolidating or merging districts in the immediately preceding five fiscal years, instead of \$400,000. The county treasurer is required to pay a consolidated district the amount of FDAT monies that would have been paid to the districts at the time of the consolidation if the district is formed in FY2014-15 or later, is receiving reduced FDAT monies due to a statutory formula, and if the total amount of FDAT monies that would be paid to all fire districts in a county is less than the amount of monies that would be raised by the levy of 10 cents per \$100 of assessed valuation. Retroactive to July 1, 2016.

HB 2224 (Chapter 84) PRIVATE FIREARM TRANSACTIONS; PROHIBITED ENCUMBRANCES

The state or any political subdivision is prohibited from enacting or implementing any additional fee, tax, assessment, lien or other encumbrance on the transfer of a firearm between two private parties who are not prohibited possessors under state or federal law.

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HB 2338 (Chapter 131) EDUCATIONAL INSTITUTIONS; FIREARMS; RIGHTS-OF-WAY

The governing board of an educational institution is prohibited from adopting or enforcing any policy or rule that prohibits the lawful possession or carrying a deadly weapon on a "public right-of-way" (defined) by a person or within a person's means of transportation.

HB 2374 (Chapter 7) CHILD PROSTITUTION; OFFENSE

The list of acts constituting child prostitution is expanded to include knowingly providing a means by which a minor engages in prostitution.

HB 2375 (Chapter 135) CRIME VICTIMS' RIGHTS; FACILITY DOG

The court is required to allow a victim who is under 18 years of age the opportunity to have a "facility dog" (defined) accompany the victim while testifying in court, and is authorized to allow a victim who is 18 years of age or more or a witness to use a facility dog. A party seeking the use of a facility dog is required to file a notice with the court that includes specified information. Contains a legislative intent section.

HB 2377 (Chapter 43) CRIMINAL SENTENCING; RESTORATION OF RIGHTS

The criminal history that may be considered as a factor for criminal sentencing is modified. Legislative staff indicate that these changes are clarifying and conforming in nature and are not substantive.

HB 2419 (Chapter 44) STALKING; OFFENSE; DEFINITIONS

Modifies the definition of "stalking," a class 5 (second-lowest) felony, to mean intentionally or knowingly engaging in a "course of conduct" (defined) that causes the victim to suffer "emotional distress" (defined) or reasonably fear that the victim's property will be damaged or destroyed or that the victim or a list of persons or animals connected to the victim will be physically injured. Modifies the definition of "stalking," a class 3 (mid-level) felony, to mean intentionally or knowingly engaging in a course of conduct that causes the victim to reasonably fear death or the death of a list of persons or animals connected to the victim. Does not apply to an interactive computer service, an information service or telecommunications service (as defined in federal law) for content that is provided by another person.

HB 2446 (Chapter 297) PROHIBITED WEAPON; DEFINITION; EXCLUSIONS

The items included in the definition of "prohibited weapons" do not include any firearms possessed, manufactured or transferred in compliance with federal law. Previously, the items did not include any firearms or devices registered in the national firearms registry and transfer records of the U.S. Treasury Department.

HB 2468 (Chapter 1) INTERNET CRIMES AGAINST CHILDREN; APPROP

Appropriates \$1.8 million from the Internet Crimes Against Children Enforcement Fund in FY2015-16 to the Attorney General to continue the operation of the federally recognized internet crimes against children task force program. The bill was passed with an emergency clause making it immediately effective on February 10, 2016.

HB 2509 (Chapter 261) VEHICLE EQUIPMENT; LIGHTING

A tail lamp is added to the list of vehicle lamps that must be maintained at all times in good working condition, in addition to a stop lamp or other signal lamps. A person is prohibited from selling a new motor vehicle and from driving a vehicle on the highways unless every stop lamp on the vehicle meets statutory requirements for visibility and being in good working condition. The first violation of driving a vehicle on the highway without every stop lamp working is not a civil traffic violation and cannot result in a citation, but may result in a warning or notice to repair.

HB 2514 (Chapter 73) RESTRICTED VEHICLE USE; DUI; REPEAL

A person who is licensed by the Real Estate Department and who is awaiting trial on or who has been convicted of driving under the influence (DUI), extreme DUI or aggravated DUI within five years from the date of applying for a fingerprint clearance card is exempt from the prohibition on driving any vehicle to transport employees or clients of the employing agency as part of the person's employment, unless the person is employed by specified state agencies.

HB 2539 (Chapter 105) SEX OFFENDER REGISTRATION; PETITION; TERMINATION

A defendant who is convicted of sexual conduct with a minor, who is required to register as a sex offender, and who successfully completes a term of probation may petition the court for an order to terminate any duty to register and must serve a copy of the petition on the prosecutor. In the petition, the defendant is required to avow, under penalty of perjury, that none of a list of specified factors applies. The court is required to deny the petition if the court finds that any of the factors applies, and may deny the petition if denial is in the best interests of justice or tends to ensure the safety of the public.

HB 2591 (Chapter 370) CIVIL TRAFFIC VIOLATIONS; ALTERNATIVE SERVICE

A person's driving privileges cannot be suspended or revoked as a result of a citation that is served by alternative service of process for a photo enforcement violation. Effective January 1, 2017.

HB 2677 (Chapter 324) PEACE OFFICER EMPLOYMENT; STUDY COMMITTEE

Establishes a 16-member Peace Officer Employment Study Committee to research and report on peace officer staffing levels and recruitment and retention policies and practices and the impact these have on the rate of attrition and public safety. The Committee is required to report its findings and recommendations to the Governor and the Legislature by December 31, 2016, and self-repeals October 1, 2017.

SB 1008 (Chapter 12) VLT; FEE EXEMPTIONS; FIRST RESPONDERS

One vehicle owned by a surviving spouse or "dependent" (defined) of a deceased "first responder" (defined elsewhere in statute), including a volunteer first responder involved in an emergency or law enforcement response, who was killed in the line of duty or died from injuries suffered in the line of duty on or after April 5, 1933 is exempt from vehicle license tax and registration fees. Previously, the exemption applied to one vehicle owned by a surviving

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spouse or dependent of a deceased "law enforcement officer, firefighter or emergency responder." Retroactive to January 1, 2016. The bill had an emergency clause making it effective immediately on March 14, 2015.

SB 1018 (Chapter 139) AID; EXECUTION OF PROCESS; INJURY

A person is permitted to refuse to assist a public officer executing process if the commanded assistance would expose that person to physical injury.

SB 1039 (Chapter 106) JURY SERVICE; EXCUSE; GRAND JURY ~~(JURY SERVICE; EIGHT-YEAR EXEMPTION)~~

On timely application to the court, a person who has served on a grand jury in Arizona is required to be excused temporarily from service as a juror for four years after the person's last day of service on the grand jury. Does not apply to a person selected as an alternate grand juror.

SB 1163 (Chapter 23) UNDERGROUND FACILITY; DAMAGE; NOTICE

In the event of any damage that results in a release from an underground facility that transports natural gas, liquefied petroleum gas, liquefied natural gas, petroleum products or any other hazardous gases or liquids in connection with any excavation, the person responsible for the excavation operations is required to immediately notify the underground facilities operator and 911 or the local emergency response agency.

SB 1211 (Chapter 307) VICTIM COMPENSATION FUND; ALLOCATIONS

Deletes the requirement that no more than 50 percent of the monies distributed statewide from the Arizona Criminal Justice Commission Victim Compensation and Assistance Fund may be allocated to specified governmental agencies or public officers.

SB 1212 (Chapter 147) NATIONAL GUARD; PEACE OFFICERS; APPOINTMENT

The Adjutant General, as head of the Department of Emergency and Military Affairs, is required to appoint, as necessary, to peace officer status members of the Arizona National Guard who have served as a law enforcement officer in any branch of the U.S. Armed Forces or as a special agent of a military criminal investigative organization within the U.S. Department of Defense.

SB 1226 (Chapter 149) DEPT OF HOMELAND SECURITY; CONTINUATION

The statutory life of the Arizona Department of Homeland Security is extended eight years to July 1, 2024. Retroactive to July 1, 2016.

SB 1228 (Chapter 57) DUI; DRUGS; IGNITION INTERLOCK REQUIREMENT

The requirement for a person convicted of a violation of driving under the influence (DUI) or aggravated DUI to equip any motor vehicle the person operates with a certified ignition interlock device applies only if the DUI violation involved intoxicating liquor. The court is authorized to order a person convicted of a DUI or aggravated DUI that does not involve intoxicating liquor to equip any motor vehicle the person operates with a certified ignition

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interlock device. Conviction of driving a motor vehicle while under the influence of a drug and/or vapor releasing substance is removed from the list of grounds for mandatory revocation of a driver license. Effective January 1, 2017.

SB 1240 (Chapter 310) PRIVATE POSTSECONDARY INSTITUTIONS; POLICE OFFICERS

A private postsecondary institution that offers baccalaureate degrees and that has a dormitory on its campus with full time residents is authorized to appoint persons to be designated as private postsecondary institution peace officers to aid and supplement law enforcement agencies in the protection of persons and property of the institution and its students, faculty and employees. While on private postsecondary institution property and engaged in the conduct of this employment, a private postsecondary institution police officer possesses and exercises all of the law enforcement powers of a peace officer. A person appointed as a private postsecondary institution peace officer is authorized to enforce the law only on property under the control of the private postsecondary institution, and is required to notify the appropriate law enforcement agency after making a felony arrest or beginning an investigation of a felony within the jurisdiction of that agency. A private postsecondary institution peace officer is required to have at least the minimum qualifications established by the AZ Peace Officer Standards and Training (AZPOST) Board for peace officers and is required to comply with all rules established by the AZPOST Board. The private postsecondary institution is required to reimburse the AZPOST Board for all training and audit expenses incurred by the AZPOST Board for private postsecondary institution peace officers. A private postsecondary institution police officer is not eligible to participate in the Public Safety Personnel Retirement System based solely on that employment. The definition of "peace officer" that applies to all statutes and laws of Arizona is expanded to include peace officers who are appointed by a private postsecondary institution and who have received a certificate from the AZ Peace Officer Standards and Training Board.

SB 1241 (Chapter 55) PHOTO RADAR PROHIBITION; STATE HIGHWAYS

The state and local authorities are prohibited from using a photo enforcement system on a state highway to identify violators of traffic control devices and speed regulations. Statute authorizing photo enforcement on state highways under certain circumstances is repealed. Contains a legislative intent section.

SB 1266 (Chapter 132) FIREARMS; STATE PREEMPTION; PENALTIES

Any ordinance, regulation, tax or rule that violates statute limiting political subdivisions from regulating firearms is invalid and subject to a permanent injunction against the political subdivision from enforcing the ordinance, regulation, tax or rule. If a court determines the violation was knowing and willful, the court is permitted to assess a civil penalty of up to \$50,000 against the political subdivision. If a court determines a person in their official capacity has knowingly and willfully violated these requirements, the person may be subject to termination from employment to the extent allowable under state law. A person or organization whose membership was adversely affected by an act is permitted to file a civil action for declaratory and injunctive relief and actual damages against the political subdivision in any court having jurisdiction over any defendant. The court is required to award the prevailing plaintiff in any civil action reasonable attorney fees and the actual damages incurred, up to \$100,000.

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SB 1293 (Chapter 338) MEDIATION; CONFIDENTIAL COMMUNICATIONS; EXCEPTION

The list of communications made during the mediation process that are exempt from confidentiality requirements is expanded to include a disclosure made in a report to a law enforcement officer, the Department of Child Safety or Adult Protective Services by a court appointed mediator who reasonably believes that a minor or vulnerable adult is or has been a victim of abuse, child abuse, neglect, exploitation, physical injury or another "reportable offense" (defined elsewhere in statute).

SB 1449 (Chapter 170) UNMANNED AIRCRAFT; PROHIBITED OPERATIONS

It is a class 1 (highest) misdemeanor for a person to operate a "model aircraft" or a "civil unmanned aircraft" (both defined) if the operation is prohibited by a federal law or regulation that governs aeronautics and interferes with a law enforcement or emergency services operation. It is a class 6 (lowest) felony for a person to operate or use an "unmanned aircraft" or "unmanned aircraft system" (both defined) to intentionally photograph or loiter over or near a "critical facility" (defined) in the furtherance of any criminal offense, except that a second or subsequent violation is a class 5 (second-lowest) felony. Some exceptions. Municipalities and counties are prohibited from enacting or adopting any ordinance or rule that relates to the ownership or operation of an unmanned aircraft or unmanned aircraft system, except as authorized by law. The Department of Transportation is required to provide on the Dept website information on resources for operating a model aircraft, including safety guidelines established by a nationwide aeronautics community-based organization, and to provide on the Dept website pictures that show examples of critical facilities to provide unmanned aircraft operators with information on what is considered a critical facility.

HB 2006 MARIJUANA; REGULATION; TAXATION

Bills that Failed

A person who is at least 21 years of age may possess, consume, use, display, purchase or transport one ounce or less of marijuana, may grow up to five marijuana plants and may possess, process or transport the marijuana produced by the plants on the premises where the plants were grown. Some restrictions. It is unlawful to smoke marijuana in a public place. Establishes regulations for marijuana accessories and retail marijuana stores. Establishes an excise tax on the sale or transfer of marijuana at the rate of \$50 per ounce. Revenues generated by the tax must be used to enforce these regulations, and any remaining monies are distributed as follows: 30 percent to the Department of Education, 20 percent to the Department of Health Services for specified drug programs, and 50 percent to the general fund. The Department of Health Services is required to adopt rules necessary for implementation. Due to a potential increase in state revenue, this bill requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

HB 2007 MARIJUANA; SENTENCE; CIVIL PENALTY; FINES

Reduces the criminal classification for possession or use of marijuana with a specified weight as follows: less than one ounce is subject to a civil penalty of up to \$100, from a class 6 (lowest) felony; at least one ounce but less than two pounds is reduced to a petty offense, from a class 6 felony; two pounds or more to a class 3 (mid-level) misdemeanor, from either a class 4 or 5 felony. Reduces the criminal classification for importing, transporting for sale or selling marijuana with a specified weight as follows: less than two pounds to a class 3 misdemeanor, from a class 5 (second-lowest) felony; at least two pounds but less than four pounds to a class 6

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felony, from a class 4 felony; more than four pounds to a class 5 felony, from a class 3 felony. The court must order a juvenile who is adjudicated delinquent for a first violation of these marijuana related violations to complete at least 10 hours of community restitution in lieu of other penalties. If the community restitution is not complete within one year, the juvenile is subject to all other penalties prescribed by law.

HB 2011 PUBLIC SAFETY; VIOLENCE PREVENTION; COMMITTEE

Establishes a 14-member Public Safety and Violence Prevention Study Committee to research and report on how to promote public safety and curtail violence. The Committee is required to submit a report to the Governor and the Legislature by December 31, 2016. Self-repeals October 1, 2017.

HB 2024 IMMIGRATION ENFORCEMENT; ATTORNEY FEES ~~(SOVEREIGN AUTHORITY; FEDERAL ACTIONS)~~

The court is no longer permitted to award court costs and reasonable attorney fees to any person or any official or agency of the state or a county, municipality or other political subdivision that prevails by an adjudication on the merits in a proceeding brought to enforce federal immigration law.

HB 2042 NUNCHAKU PROHIBITION; REPEAL

For the purposes of the criminal code, an instrument that consists of two or more sticks, clubs, bars or rods to be used as handles, connected by a rope, cord, wire or chain, in the design of a weapon used in connection with the practice of a system of self-defense, including a nunchaku, is removed from the definition of "prohibited weapon."

HB 2052: MOTORCYCLE RIDERS; HELMETS; FEES

All operators and passengers of motorcycles, all-terrain vehicles and motor driven cycles are required to wear a protective helmet at all times, instead of only those operators and passengers who are under 18 years of age. An operator or passenger who is at least 18 years of age may be exempted from the helmet requirement if the owner pays a fee in an amount determined by the Director of the Department of Transportation when registering the vehicle. Fees collected are deposited in the Highway User Revenue Fund (HURF). Violations of the helmet requirement are subject to secondary enforcement and are subject to a civil penalty of \$500. Of the civil penalty, \$200 is deposited in HURF and \$300 is deposited in the Spinal and Head Injuries Trust Fund.

HB 2072 FIREARMS; UNIVERSITY; COLLEGE; CAMPUS

The prohibition on entering any public establishment while carrying a deadly weapon does not apply to a faculty member or registered student of a public university, college or community college who is carrying or transporting a firearm on the property if the person possesses a valid concealed weapons permit and is registered with the institution's administration indicating that the person is armed and possesses a valid concealed weapons permit. Public universities, colleges or community colleges are prohibited from adopting or enforcing any policy or rule that restricts or prohibits a faculty member or registered student from carrying or transporting a firearm on the property if the person possesses a valid concealed weapons permit and is registered with the institution's administration.

HB 2073 UNMANNED AIRCRAFT SYSTEMS; UNLAWFUL USE

It is an unspecified class of felony (blank in original) for a person to operate or use an "unmanned aircraft system" (defined) to intentionally photograph, electronically record, collect information, conduct surveillance or gather evidence on a "critical facility" (defined) without the prior written consent of the facility owner or operator, or on a person or the person's property without the prior written consent of the person. Some exceptions.

HB 2089 MEDICAL ASSISTANCE REQUESTS; EVIDENCE; MITIGATION

A person who, in good faith, seeks medical assistance for someone experiencing a drug related overdose and a person who experiences a drug related overdose and is in need of medical assistance cannot be charged or prosecuted for the possession or use of a controlled substance or drug paraphernalia if the evidence for the violation was gained as a result of seeking medical assistance.

HB 2091 FIREARM SALES; TRANSFERS; BACKGROUND CHECKS

If neither party to a prospective firearms sale or transfer is a licensed firearms dealer, the parties must complete the transaction through a licensed firearms dealer. Some exceptions. The dealer must process the sale or transfer and comply with all requirements of federal, state and local law as if the dealer were a party to the transaction, including a background check on both parties. If the dealer cannot legally deliver the weapon to the purchaser, the dealer must return the weapon to the seller. If the dealer cannot legally return the weapon to the seller, the dealer must deliver the weapon to law enforcement. The dealer may charge a fee of up to \$20 for the costs incurred in facilitating the sale or transfer. Violations are a class 5 (second-lowest) felony.

HB 2175 PRIVATE PRISON SECURITY OFFICERS; CERTIFICATION

Security officers employed by a private prison contractor are required to be certified by the Arizona Peace Officer Standards and Training (AZPOST) Board by completing the same basic training course, physical examinations and criminal background investigations as correctional officers employed by the Department of Corrections. A contract for adult incarceration cannot be entered into unless the private prison contractor only uses security officers who are AZPOST certified. A security officer employed by a private prison has no authority or jurisdiction outside of the grounds of a private prison facility. A person who exercises the authority or performs the duties of a peace officer and who is not AZPOST certified as a peace officer is guilty of a class 1 (highest) misdemeanor.

HB 2179 CRITICAL HEALTH INFO; EMERGENCY RESPONDERS

Municipalities and counties are authorized to establish by ordinance a program to provide "emergency responders" (defined) with critical health information about program participants so that emergency responders may aid program participants who are involved in motor vehicle emergencies or accidents and who are unable to communicate. Program requirements are specified and program participants may be charged a nominal fee for program costs.

HB 2199 UNLAWFUL USE; BOOKING PHOTOS; INFORMATION

It is a petty offense for a person to knowingly public on a publicly accessible website the booking photo and arrest information of another person without written permission if that person has not been convicted of the offense and if the information is published for the purpose of harassing the person or obtaining money or any other thing of value from the person. Does not apply to public officials. A second or subsequent violation is a class 1 (highest) misdemeanor.

HB 2204 SALVIA DIVINORUM; UNLAWFUL ACTS; DEFENSE

It is a class 2 (mid-level) misdemeanor for a person to sell, distribute, administer or give, or offer to sell, distribute, administer or give "salvia divinorum" (defined) to a person who is under 21 years of age. It is an affirmative defense to a prosecution for a violation that the person reasonably relied on fraudulent proof of age.

HB 2220 FIREARMS; STATE PREEMPTION; INDEPENDENT CONTRACTORS

Statute establishing state preemption over local jurisdiction firearms regulations no longer specifically allows a political subdivision to enact or enforce an ordinance or rule regulating independent contractors of the political subdivision who are acting within the course and scope of their employment or contract.

HB 2223 PROHIBITED MONEY TRANSFERS; INFORMATION SHARING

Municipalities and counties are prohibited from having any law, policy or procedure that prohibits or restricts any government entity or official from sharing information with the U.S. Immigration and Naturalization Service regarding the citizenship or immigration status of any person, that prohibits a municipal or county law enforcement officer or agency from gathering information regarding the citizenship or immigration status of any person, or that allows the municipality or county to issue a government identification card or any other document that purports to authorize a person's presence in Arizona if the person's presence in Arizona is in violation of federal immigration law. If the Attorney General determines that a municipality or county is in violation of these prohibitions, after notice and 60 days' time to comply, the Attorney General may direct the State Treasurer to withhold specified state shared revenue distributions until the municipality or county is no longer in violation.

HB 2241 TEENAGE DRIVERS; COMMUNICATION DEVICES PROHIBITED

For the first six months that a class G driver licensee holds the license, the licensee is prohibited from driving a motor vehicle while using a wireless communication device for any reason, except during an emergency in which stopping the vehicle is impossible or will create an additional hazard. Does not apply beginning on the licensee's 18th birthday. Instruction permit holders for a class D or G driver license are prohibited from driving a motor vehicle while using a wireless communication device for any reason, except during an emergency in which stopping the vehicle is impossible or will create an additional hazard. Effective July 1, 2017.

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HB 2276 DEATH PENALTY; REPEAL

Repeals the death penalty, the Capital Postconviction Public Defender Office, and all related statutes. Crimes currently punishable by death are punishable by natural life imprisonment. If the court imposes a natural life sentence, the court is required to order that the defendant not be released on any basis for the remainder of the defendant's natural life. As session law, the Supreme Court is required to remand each case in which a sentence of death was imposed before the effective date of this legislation to the court in the appropriate county, where that court must strike the death sentence and enter in its place a sentence of natural life, which is not subject to commutation, parole, community supervision, work furlough or work release.

HB 2279 JUSTIFICATION; DEADLY PHYSICAL FORCE; EXCEPTIONS

A person is not justified in threatening or using deadly physical force against another person if the person either leaves a place of safety and actively pursues the other person who is engaged in a lawful activity or pursues the other person after a law enforcement officer requests that the person retreat to a place of safety.

HB 2300 FIREARMS; PROHIBITED GOVERNMENTAL ACTIVITIES

A state agency, political subdivision or an employee of a state agency or political subdivision acting in the employee's official capacity is prohibited from knowingly and willingly participating in any way in the enforcement of any federal act, law, order, rule or regulation issued, enacted or promulgated on or after the effective date of this legislation "regarding" a personal firearm, a firearm accessory or ammunition that infringes the right to keep and bear arms guaranteed by the second amendment of the U.S. Constitution or that impairs that right in violation of the state Constitution. A state agency, political subdivision or an employee of a state agency or political subdivision acting in the employee's official capacity is prohibited from using any assets, state monies or monies allocated by the state to political subdivisions on or after the effective date of this legislation, in whole or in part, to engage in any activity that aids a federal agency, agent or corporation providing services to the federal government in the enforcement of any federal act, law, order, rule or regulation issued, enacted or promulgated on or after the effective date of this legislation "regarding" a personal firearm, a firearm accessory or ammunition that infringes the right to keep and bear arms guaranteed by the second amendment of the U.S. Constitution or that impairs that right in violation of the state Constitution. The State Treasurer is prohibited from transferring any monies to a political subdivision in the fiscal year after a final judicial determination is made that the political subdivision adopted a rule, ordinance or policy that intentionally violated these prohibitions. Any agent or employee of the state or a political subdivision who knowingly violates these prohibitions is subject to a civil penalty of up to \$3,000 for the first violation. A second or subsequent violation is a class 1 (highest) misdemeanor. Contains legislative findings.

HB 2365 STUDY COMMITTEE; ARIZONA'S 911 SYSTEM

Establishes a 14-member Study Committee on Arizona's 911 System to examine the telecommunications service excise tax, the transition to next generation 911, and other related issues. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by November 1, 2017. Self-repeals January 1, 2018.

HB 2398 FIREWORKS; DEFINITION (~~TECH CORRECTION; BANK DEPOSITS~~)

The definition of "permissible consumer fireworks" is expanded to include mine and shell devices and firecrackers.

HB 2405 MEDICAL MARIJUANA; CULTIVATION; FACILITIES

Medical marijuana cultivation facilities must have a roof and a hardened covering. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage which it failed to get.

HB 2420 UNLAWFUL FLIGHT FROM LAW ENFORCEMENT

For the purpose of the crime of unlawful flight from a pursuing law enforcement vehicle, the law enforcement vehicle is no longer required to be appropriately marked to show that it is an official law enforcement vehicle.

HB 2426 DISORDERLY CONDUCT

It is no longer "disorderly conduct," a class 1 (highest) misdemeanor, to use abusive or offensive language or gestures in a manner likely to provoke immediate physical retaliation.

HB 2434 ABANDONED VEHICLES; TOWING REIMBURSEMENT

If the Department of Transportation collected a fee for an abandoned vehicle, the towing company that towed the vehicle would have been entitled to receive 20 percent of the fee collected, instead of \$100. The Bill was vetoed by governor. In his veto message, the Governor stated that this bill would cost the state nearly \$1 million annually, and that he would rather see an approach to changes in the fee structure that is revenue neutral.

HB 2443 METAL DEALER LICENSURE; LOCAL AUTHORITY

Statute prohibiting counties and municipalities from regulating the sale, use or disposition of "auxiliary containers" (defined) does not affect a county's or municipality's authority to enforce laws relating to business licensing of scrap metal dealers.

HB 2462 DOMESTIC VIOLENCE SERVICE PROVIDERS

Statute relating to domestic violence shelters is modified to instead apply to "domestic violence service providers," defined as a facility whose primary purpose is to provide services to family or household members who are victims of domestic violence, including shelter, victim advocacy, and other support services. Domestic violence service providers are eligible to receive monies from the renamed Domestic Violence Services Fund, formerly the Domestic Violence Shelter Fund, and other eligibility requirements are modified.

HB 2524 UNIFORM FIREARMS TRANSFER COMPACT

The state of Arizona would have adopted and agreed to be bound by a uniform firearms transfer compact, which would have prohibited member states from enacting or enforcing any law, regulation or policy that would "impose any fee, tax, penalty, mandate or regulation governing, punishing, restricting, conditioning or otherwise burdening in any respect or at any

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time the transfer of firearms by any person” in addition to then-existing federal law, with some exceptions. Any law, regulation or policy existing on the effective date of the compact which was in conflict with this prohibition would have been repealed and held for naught to the extent of the conflict. Would have provided for construction, enforcement, withdrawal from and severability of the compact. The bill was vetoed by the Governor. In his veto message, the Governor stated his commitment to safeguarding our liberties relating to firearms and his belief that there is no reason for Arizona to tie itself to other states' decisions on public policy relating to the transfer of firearms.

HB 2540 PROHIBITION; PHOTO RADAR

State agencies and local authorities are prohibited from using a photo enforcement system to identify violators of traffic control devices and speed regulations. Statutes authorizing and regulating photo enforcement are repealed.

HB 2554 VETERANS COURT; ESTABLISHMENT; MANDATORY REFERRALS

The presiding judge of the superior court in each county is required to establish a veterans court to adjudicate cases filed in the superior court, a justice court, or a municipal court. The judge must establish the eligibility criteria for referral to the court. The criteria must include a mandatory referral requirement for any case that is filed against a veteran and that alleges only a violation of aggravated driving under the influence.

HB 2566 PAWNBROKERS; TRANSACTION FEE PROHIBITED ~~(TECH CORRECTION; HEALTH SERVICES; MONITORING)~~

A municipality is prohibited from imposing a fee on any transaction between a "dealer" (defined) of precious items and a seller or cosigner if the transaction involves the purchase, trade, exchange or receipt of a precious item. A municipality is prohibited from imposing a fee on any "reportable transaction" (defined) by a pawnbroker. The bill would have had a negative impact on the city's ability to fund part of our crime unit that investigates stolen property.

HB 2590 DUI; IGNITION INTERLOCK REQUIREMENT; DRUGS

Conviction of driving a motor vehicle while under the influence of a drug and/or vapor releasing substance is removed from the list of grounds for mandatory revocation of a driver license. The Court is permitted, instead of required, to order a person convicted of a violation of driving under the influence (DUI) or aggravated DUI to equip any motor vehicle the person operates with a certified ignition interlock device. Effective January 1, 2017.

HB 2604 WHITE COLLAR CRIME OFFENDER REGISTRY

The Attorney General is required to establish and maintain a white collar crime offender registry website. The registry is required to include specified information for each convicted offender who is required to register. A person who has been convicted of any of a list of offenses, including several types of fraud, financial exploitation and money laundering, is required to register with the Attorney General. Some exceptions. An offender is permitted to petition the court for an order to remove the offender from the registry if specified conditions exist, including that five years have passed and the offender has not been convicted of any other crime. Appropriates \$100,000 from the general fund in FY2016-17 to the Attorney General to establish the registry.

HB 2607 MISCONDUCT INVOLVING WEAPONS; FIREARM STORAGE

The list of acts constituting misconduct involving weapons is expanded to include storing a firearm without using a lock and key or combination on the trigger of the firearm or placing the firearm in a securely locked box or other container. Misconduct involving weapons for these actions is a class 1 (highest) misdemeanor.

HB 2611 MENTAL HEALTH; INJUNCTION; FIREARM POSSESSION

An immediate family member or a peace officer is authorized to file a verified petition with a magistrate, justice of the peace or superior court judge for an injunction that prohibits a person from possessing, controlling, owning or receiving a firearm. Any court may issue or enforce a mental health injunction against firearm possession, regardless of the location of the person. Information that must be included in the petition is specified. If the court finds that there is clear and convincing evidence to issue a mental health injunction against firearm possession, the court must issue the injunction. Information that must be included in the injunction is specified.

HB 2627 CRIMINAL JUSTICE COMMISSION; MEMBERSHIP; REPORT

Increases the number of members of the Arizona Criminal Justice Commission to 23 members by increasing the number of members who are appointed by the Governor to 18, from 14. No more than 9 members appointed by the Governor may be from the same political party, increased from 7. The list of requirements for members appointed by the Governor is expanded to include two public defenders, one from a county with a population of \$1.5 million or more (Maricopa County) and one from a county with a population of 800,000 persons or more but less than \$1.5 million (Pima County), one crime victim advocate, and one former prison inmate who advocates for prisoner rights. The Commission is required to conduct a comprehensive review of Arizona's sentencing and corrections data and submit a report to the Legislature by December 31, 2016 this includes data-based policy recommendations for a list of specified purposes.

HB 2649 PEACE OFFICER DATABASES; DISCIPLINARY ACTIONS

The Arizona Peace Officer Standards and Training Board is required to establish and make available on its website a law enforcement officer database that includes the names and discipline record, if any, of every law enforcement agency that is conducting a background investigation of an applicant for the position of a law enforcement officer. Law enforcement agencies are required to check the database before hiring an applicant for the position of a law enforcement officer. Law enforcement agencies are required to report to the Board specified information within 10 days after a final ruling or determination on certain disciplinary actions of law enforcement officers. A person is authorized to bring an action in superior court to enforce these requirements.

HB 2650 LAW ENFORCEMENT; DEADLY FORCE; INVESTIGATIONS

If a law enforcement officer uses deadly physical force in the performance of official duties and that use causes the death of another person, an investigator or law enforcement officer who is not from the same law enforcement agency or the county attorney from another county is required to conduct the investigation into the officer's use of deadly physical force and provide

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the results of the investigation to the county attorney of the county in which the use of force occurred.

HB 2690 PAWNBROKER LICENSURE; DPS

Responsibility for enforcement of regulations on pawn transactions and pawnbrokers is transferred to the Department of Public Safety (DPS), from local law enforcement agencies. Pawnbrokers must be licensed pursuant to rules adopted by DPS instead of by the county sheriff. Establishes a DPS Pawnbroker Licensing Fund and requires DPS to deposit monies collected from pawnbroker licensing fees in the Fund. Monies in the Fund are continuously appropriated to DPS to cover the costs of regulating the pawnbroker industry.

SB 1002 LICENSE PLATE COVERS; PROHIBITION

Unless authorized by the Department of Transportation, it is illegal to apply any covering or substance to a license plate or use an electronic device or film that obscures from any angle the numbers, characters, year validating tabs or name of the jurisdiction issuing a license plate.

SB 1021 PUBLIC SAFETY; VIOLENCE PREVENTION; COMMITTEE

Establishes a 14-member Public Safety and Violence Prevention Study Committee to research and report on how to promote public safety and curtail violence. The Committee is required to submit a report to the Governor and the Legislature by December 31, 2016. Self-repeals October 1, 2017.

SB 1022 RACKETEERING; ANIMAL FIGHTING; COCKFIGHTING

For the purpose of the criminal code, the definition of "racketeering" is expanded to include animal fighting or cockfighting.

SB 1025 DRIVER LICENSES; AUTHORIZED PRESENCE REPEAL

The Department of Transportation is no longer prohibited from issuing or renewing a driver license for a person who does not submit proof that the applicant's presence in the U.S. is authorized under federal law.

SB 1026 IMMIGRATION; LAW ENFORCEMENT; REPEAL

Repeals the following statutes established by Laws 2010, Chapter 113 (S1070): the prohibition on state and local government agencies or governing bodies restricting the enforcement of federal immigration law; the requirement for law enforcement officials to determine the immigration status of a person at any lawful stop or arrest where reasonable suspicion exists that the person is unlawfully present in the U.S.; provisions allowing law enforcement to arrest without warrant any person the officer has probable cause to believe has committed a public offense that makes the person removable from the U.S.; the defense of entrapment for employers found to be employing unauthorized aliens; the establishment of willful failure to complete or carry an alien registration document, unlawful stopping to hire and pick up passengers for work, and unlawful application for employment or employment by an unauthorized alien as class 1 misdemeanors; the requirement that a vehicle driven in furtherance of the illegal presence of an alien in the U.S. and in violation of a criminal offense

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be immobilized or impounded; and the establishment of the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Fund.

SB 1054 LAW ENFORCEMENT ACTIVITY; RECORDING PROHIBITION

It is a petty offense for a person to knowingly make a video recording of law enforcement activity if the person making the video does not have the permission of a law enforcement officer and is within 20 feet of where the law enforcement activity is occurring. If a person fails to comply with a verbal warning of a violation or has previously been convicted of a violation, the penalty is increased to a class 3 (lowest) misdemeanor.

SB 1057 CRIMES; CULPABLE MENTAL STATE; REQUIREMENT

Beginning January 1, 2017, if a statute classifies an offense as a misdemeanor or felony and does not expressly prescribe a culpable mental state that is sufficient for commission of the offense, the culpable mental state is intentional, except for drug offenses in which case the culpable mental state required is knowingly. Some exceptions, including for sexual offenses, driving under the influence offenses, a moving traffic violation or a violation involving public health and safety included in Title 36 (Public Health and Safety). Beginning January 1, 2017, if a municipality adopts a new ordinance defining a strict liability offense, the ordinance must expressly prescribe that it is a strict liability offense. If the ordinance does not expressly prescribe that it is a strict liability offense, the culpable mental state is intentional, except for misdemeanor drug offenses in which case the culpable mental state required is knowingly. Does not apply to a municipal ordinance that involves a traffic violation, a building code violation or a food or health and safety code violation.

SB 1061 PROCESS SERVERS; MOTOR VEHICLE RECORDS

The list of circumstances in which the Department of Transportation is required to disclose personal information is expanded to include for use by a certified process server in connection with any civil, criminal, administrative or arbitration proceeding in any court or government agency or before any self-regulatory body.

SB 1088 SECURED RESIDENTIAL COMMUNITIES; PROCESS SERVERS

Homeowners associations and condominium associations or their agents and owners or managing agents of a gated or secured apartment community are required to allow a process server to access the gated or secured areas of the community in order to serve process. A security guard or other employee or agent of the community or association is prohibited from notifying the person who lives in the community that a process server is attempting to serve that person with service of process. The Attorney General or the county attorney is authorized to enforce these requirements and to assess a civil penalty of up to \$250 per violation.

SB 1090 VULNERABLE USERS OF PUBLIC WAYS

An operator of a motor vehicle is prohibited from knowingly, intentionally or recklessly operating the vehicle within three feet of a "vulnerable user of a public way" (defined as a law enforcement officer, emergency responder or a worker in a state highway work zone while in the course of official duties or a pedestrian, person riding an animal or a person operating a farm tractor, skateboard, skates, scooter, wheelchair or bicycle in a crosswalk or on a shoulder of the highway). An operator of a motor vehicle is prohibited from knowingly, intentionally or

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recklessly distracting or attempting to distract a vulnerable user of a public way for the purpose of causing violence or injury, or forcing or attempting to force a vulnerable user of a public way off of a public way, crosswalk or shoulder of the highway except as necessary for public safety. A violation is a class 2 (mid-level) misdemeanor, except that if a violation resulted in serious physical injury to or death of a vulnerable user of a public way, the court is required to impose specified penalties.

SB 1128 DOMESTIC VIOLENCE OFFENDERS; FIREARMS; SEIZURE

The court is required to order a person placed on probation for a domestic violence offense to transfer, for the duration of the probation, any firearms the person owns or possesses to the appropriate law enforcement agency within 24 hours of sentencing, or to provide the agency with an affidavit certifying that the person does not own or possess a firearm. The court must provide a copy of the order to the appropriate law enforcement agency, and if the agency has not received an affidavit or any firearms from the person within 24 hours, the agency must notify the court and request a search warrant for the person's home and vehicle, if appropriate. If a court orders a defendant who is subject to an order of protection to transfer a firearm to the appropriate law enforcement agency and the firearm is not transferred to the agency within 24 hours, the agency must notify the court and request a search warrant for the person's home and vehicle, if appropriate, to retrieve the firearm.

SB 1135 TEXTING WHILE DRIVING; TRANSPORTATION VEHICLES

A person is prohibited from using a handheld wireless communication device to make or receive a telephone call, engage in a telephone conversation or manually write, send or read a written message while operating a vehicle for public transit, a livery vehicle, taxi, limousine, transportation network vehicle or a bus. Does not apply to dialing 911.

SB 1162 ALARM INDUSTRY; FINGERPRINT REQUIREMENTS

Alarm agent certificate holders are required to have a valid fingerprint clearance card, and the Board of Technical Registration is required to verify the status of the card every three years. Each controlling person of an alarm business is required to obtain a certificate from the Board, and each controlling person is required to have a valid fingerprint clearance card.

SB 1227 ANIMAL CRUELTY; SENTENCING; BOND

The list of acts constituting cruelty to animals is expanded to include to intentionally, knowingly or recklessly "hoard animals" (defined), and cruelty to animals by hoarding animals is a class 1 misdemeanor. The classification for second or subsequent violations of specified cruelty to animals violations is increased to a class 6 felony. The bond that an animal owner is required to post for an animal that was properly seized is increased to \$250 per animal, from \$25.

SB 1230 WRONGFUL ARREST; RECORD CLEARANCE

If a law enforcement agency determines that a person was wrongfully arrested and is factually innocent of the offense that was the basis of the arrest, the agency is required to immediately seal the person's arrest record, retract any information that the agency reported to any person or entity about the arrest, and notify the person of the sealed arrest record. A person whose arrest record is sealed is authorized to deny that the arrest ever occurred, including when

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applying for a state-issued license, a law enforcement or school-related job, a concealed weapons permit, or state bar membership or when running for public office or purchasing a firearm.

SB 1231 RACIAL PROFILING; PROHIBITION; REPORTING

An article is added to Title 41 (State Government) prohibiting peace officers from engaging in racial profiling or using the race or ethnicity of an individual as the sole factor in determining the existence of probable cause to take an individual into custody. The AZ Peace Officer Standards and Training Board is permitted to develop and distribute a suggested model written racial profiling prevention policy for use by law enforcement agencies. Each law enforcement agency in Arizona is required to annually report specified information on motor vehicle stops to the Board, and the Board is required to review and analyze the information for evidence of racial profiling.

SB 1257 MISCONDUCT INVOLVING WEAPONS; PUBLIC PLACES

A person who possesses a valid concealed weapons permit is exempt from the prohibition on carrying a concealed weapon in a public establishment or at a public event. Some exceptions, including for public establishments or events that are a "secured facility" (defined), that are the licensed premises of a liquor licensee, that are an educational institution, and that are a vehicle or craft.

SB 1262 LURING MINORS; SEXUAL EXPLOITATION; SENTENCE

Establishes minimum, presumptive and maximum terms of imprisonment for a person convicted of luring a minor for sexual exploitation if the person believed the other person was under 15 years of age, whether or not the other person is a minor, and for a person convicted of luring a minor for sexual exploitation if the person has been previously convicted of one predicate felony.

SB 1273 CRIMINAL CASES; ARRESTS; RECORDS; ERASURE

In any criminal case commenced beginning October 1, 1969, if the accused is found not guilty by a final judgment or the charge is dismissed, all law enforcement, prosecuting agency and court records that pertain to the charge must be erased when the time to file a notice of appeal expires. Some exceptions. In any criminal case commenced before October 1, 1969, if the accused is found not guilty by a final judgment or the charge is dismissed, all law enforcement, prosecuting agency and court records that pertain to the charge must be erased by operation of law. Some exceptions. If a person is arrested or charged with violating a criminal law and the prosecutor dismisses or does not file a criminal charge against the person for at least 13 months after the arrest or dismissal, all law enforcement, grand jury, prosecuting agency and court records that pertain to the arrest or charge must be erased. Some exceptions. If a judgment of guilt is set aside, the person may request that the court seal the person's arrest and conviction records. The court or a law enforcement agency is prohibited from publicly disclosing an arrest and conviction record that is sealed. A person whose arrest record is sealed is authorized to deny under all circumstances that the arrest and conviction ever occurred.

SB 1284 PUBLIC ACCOMMODATION; SERVICES; CIVIL ACTIONS

Before filing a civil action for discrimination by public accommodations or commercial facilities, a person or the person's attorney is required to provide written notice to the covered person or entity that includes sufficient detail to allow the covered person or entity to identify the prohibited act or practice or to comply with the law. If the covered person or entity does not cure the prohibited act or practice or comply with the law within 60 days after receiving the notice, the person may file the civil action. When filing a civil action a person is required to file an affidavit with specified information, including that the person is not receiving anything of value from an attorney in exchange for filing the civil action. A person or the person's attorney is prohibited from demanding a specific amount of money from the covered person or entity before a civil action is commenced. Effective January 1, 2017.

SB 1285 AGGRESSIVE SOLICITATION; APPROACHING STOPPED VEHICLE

The list of acts constituting aggressive solicitation, a petty offense, is expanded to include approaching within 10 feet of a person who is in a vehicle that is stopped at a traffic control device except if the driver of the vehicle grants the person permission to approach the vehicle.

SB 1339 FIREARMS SALES; TRANSFERS; BACKGROUND CHECKS

If neither party to a prospective firearms sale or transfer is a licensed firearms dealer, the parties must complete the transaction through a licensed firearms dealer. Some exceptions. The dealer must process the sale or transfer and comply with all requirements of federal, state and local law as if the dealer were a party to the transaction, including a background check on both parties. If the dealer cannot legally deliver the weapon to the purchaser, the dealer must return the weapon to the seller. If the dealer cannot legally return the weapon to the seller, the dealer must deliver the weapon to law enforcement. The dealer may charge a fee of up to \$20 for the costs incurred in facilitating the sale or transfer. Violations are a class 5 (second-lowest) felony.

SB 1349 SENTENCING; AGGRAVATING FACTOR; TEXTING

The list of aggravating circumstances for the purpose of determining the sentence for felony offenses is expanded to include that during the commission of the offense, the defendant was operating a motor vehicle while using a "wireless communication device" (defined) to manually type, send, read or enter a written or visual communication, including a text message, instant message, e-mail or a communication on social media.

SB 1352 ELECTRONIC COMMUNICATIONS; PRIVACY RIGHTS

A government entity that executes a search warrant is required to serve on or deliver to the identified targets of the search warrant a notice that informs the recipient that information about the recipient has been compelled or requested and contains other specified information. When a search warrant is sought, the government entity may request an order delaying notification and prohibiting any party providing information from notifying any other party that information has been sought. If the court determines that there is reason to believe that notification may have an "adverse result" (defined), the court must issue the order for up to 90 days. Except as provided by statute, a government entity is prohibited from compelling the production of or access to electronic device information from any person or entity other than the authorized possessor of the device, and from accessing electronic device information by means of physical interaction or electronic communication with the device. Some exceptions.

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Establishes requirements for search warrants for electronic information. A person who is detained or arrested and who possesses an electronic device that requires a “biometric identifier” (defined) to access the device is not required to provide the biometric identifier unless a valid search warrant has been issued for the biometric identifier. Also repeals statutes governing emergency interception, stored oral, wire and electronic communications, records preservation requests and communication service records.

SB 1403 MEDICAL ASSISTANCE REQUESTS; EVIDENCE; MITIGATION

A person who, in good faith, seeks medical assistance for someone experiencing a drug related overdose and a person who experiences a drug related overdose and is in need of medical assistance cannot be charged or prosecuted for the possession or use of a controlled substance or drug paraphernalia if the evidence for the violation was gained as a result of seeking medical assistance.

SB 1406 REPORTING; UNTESTED SEXUAL ASSAULT KITS

By January 1, 2017, each “criminal justice agency” (defined) that is charged with the maintenance, storage and preservation of “sexual assault collection kits” (defined) is required to conduct a physical inventory of all the kits that are being stored by the agency, compile a written report containing the number of “untested kits” (defined), the date the kit was collected and the reason why the kit is currently untested, and submit the report to the Department of Public Safety’s crime laboratory. By March 1, 2017, the crime laboratory is required to report this information in aggregate to the Legislature.

SB 1410 SEXUAL ASSAULT VICTIM ADVOCATES; PRIVILEGE

In a civil action, a “sexual assault victim advocate” (defined) is prohibited from being examined as to any communication made by the sexual assault victim to the advocate. Some exceptions. Sexual assault victim advocates are added to the list of persons with a duty to report a reasonable belief of abuse or neglect that is developed in the course of their employment.

SB 1412 INCOMPETENT; NONRESTORABLE DEFENDANTS; INVOLUNTARY COMMITMENT

Various changes related to defendants who are incompetent to stand trial. If a defendant is charged with a sexually violent offense and the county attorney requests, the court is authorized to order a screening of the defendant to determine if the defendant is a sexually violent person. If a mental health expert appointed by the court determines that a defendant is incompetent to stand trial and not restorable to competency within 21 months, the expert is required to determine whether the defendant may be a sexually violent person. If a mental health expert determines that a defendant is incompetent to stand trial, the information that must be included in the expert’s report is expanded to include the nature of the mental health disorder, disease or defect or of any personality or other disorder that makes the defendant likely to be “dangerous” (defined), and if the prognosis includes a determination that there is no substantial probability that the defendant will regain competency within 21 months, whether the defendant should be considered dangerous or may be a sexually violent person. If the court finds that a defendant is incompetent to stand trial and that there is no substantial probability that the defendant will regain competency within 21 months, any party is permitted to request that the court hold a hearing to determine if the defendant is dangerous and should be involuntarily committed. The court is also authorized to order an assessment of the defendant’s eligibility for

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private insurance or public benefits that may be applied to the expenses of the defendant's medically necessary maintenance and treatment. If an incompetent defendant is found to be not restorable to competency, the state is permitted to request a hearing to determine if the defendant is dangerous, which must be established by clear and convincing evidence after examination by mental health experts, and should be involuntarily committed to a secure state mental health facility. The psychiatrist, psychologist or other competent professional of the Arizona State Hospital (ASH) or a licensed facility under the supervision of the ASH is required to annually examine each person who is involuntarily committed due to a determination that the defendant is dangerous. The person who conducts the annual examination is required to submit an examination report to the court, and the report is required to contain specified information, including whether the person remains dangerous. If the report indicates that the person is competent to stand trial or is no longer dangerous, the court is required to hold a hearing within 45 days after receiving the report to determine whether the person is competent or is no longer dangerous. If after a hearing the court finds that the person has been restored to competency, the court is required to order that the criminal proceedings resume. If the court finds that the person has not been restored to competency, the court is required to take specified actions depending on whether the court finds that the person is dangerous. If the Superintendent of ASH or the Director of the Department of Health Services determines that a person's mental illness, defect or disability has so changed that the person is no longer dangerous, the Superintendent or the Director is required to allow a person to petition the court for conditional release to a less restrictive alternative. If the court determines that conditional release to a less restrictive alternative is in the best interest of the person, will adequately protect the community, and meets a list of specified conditions, the court must enter judgment and order the person's conditional release, and the court may impose any conditions on the person that the court determines are necessary. Circumstances under which the court may deny the request for conditional release to a less restrictive alternative are specified. Establishes circumstances under which the court may revoke a conditional release. More. Effective January 1, 2017.

SB 1437 NATIONAL DEFENSE LAWS; PROHIBITED ACTIONS

Except as authorized by state or federal law, it is unlawful for any person to arrest or capture any person in Arizona or any Arizona citizen within the U.S. with the intent of detention under the law of war, actually subject a person in Arizona or any Arizona citizen to disposition under the law of war, or execute any person in Arizona or any Arizona citizen without judicial sentencing after trial and conviction in a court established under Article III of the U.S. Constitution or the state Constitution. The Director of the Department of Public Safety or a county sheriff is required to report to the Governor and the Legislature any attempt by an agency or agents of the federal government to secure the implementation of any treaty or law enacted or claimed to be an to be an authorization for use of military force, including sections 1021 and 1022 of the National Defense Authorization Act of 2012 (sections dealing with detainment without charge or trial and requirements for military tribunals). Any person in violation is subject to prosecution under the criminal code or any other applicable law. Contains legislative findings.

SB 1520 PHOTO ENFORCEMENT; VOTER APPROVAL (~~TECH CORRECTION;~~ CHIROPRACTIC)

A municipality's use of a photo enforcement system is required to be approved by the voters at a general election. If a municipality uses a photo enforcement system and the use is not approved at the next general election, the municipality is prohibited from continuing to use the

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photo enforcement system. A traffic complaint for a violation that is detected by a photo enforcement system may be served only on the driver in the photograph that is taken by the system and that resulted in the complaint. If a photo enforcement company or a municipality mails a notice of violation to a person at an address, a second or subsequent notice of violation cannot be mailed to that address for that person or another person if the second or subsequent notice of violation results from the same series of events that resulted in the violation that generated the first notice of violation. Effective January 1, 2017.

Transportation

New Laws

HB 2250 (Chapter 66) ADOT ADVERTISING; SPONSORSHIP; NONHIGHWAY ASSETS

The Department of Transportation is authorized to establish a program to lease or sell advertising on non-highway assets of the Department and to allow monetary sponsorship of facilities and other assets of the Department. The program is limited to motor vehicle and motorist-related goods and services. The Department may generate revenue from the program and monies must be deposited in the State Highway Fund. The Department is authorized to contract with a third party to perform any or all aspects of the program, and to enter into a revenue sharing agreement with the third party. The program ends on July 1, 2026.

HB 2373 (Chapter 295) REGIONAL TRANSPORTATION AUTHORITY; MEMBERSHIP; ELECTION

The members of a regional transportation authority (RTA) that are members of the regional council of governments (COG) must be from the county that established the RTA. The Executive Director of the RTA serves at the discretion of the RTA Board, instead of the COG. A proposed regional transportation plan may be approved by the voters even if the related proposed transaction privilege tax is not approved. No later than five years after the plan is approved, the county board of supervisors may submit to the voters a subsequent transaction privilege tax measure to fund the previously approved regional transportation plan. If an RTA transaction privilege tax is approved at an election, the levy and collection of the tax must begin on April 1 immediately following the approval and may be in effect for up to 20 years. Retroactive to July 1, 2015.

SB 1490 (Chapter 228) TRANSPORTATION FUNDING; TASK FORCE

Establishes a 9-member Surface Transportation Funding Task Force to review transportation needs and revenue sources in Arizona and recommend specific revenue proposals for dedicated funding sources for specified transportation-related items. The Task Force is required to cooperate with the Department of Administration to conduct a statewide study that identify vacant or underused buildings owned by the state that could be sold to provide funding for transportation projects. The Task Force is required to issue progress reports every three months to the Governor and the Legislature and to submit a final report of its findings and recommendations to the Governor and the Legislature by December 31, 2016. Self-repeals July 1, 2017. The bill passed with an emergency clause making it immediately effective on May 12, 2016.

Bills that Failed

HB 2147 REGIONAL TRANSPORTATION AUTHORITY; AMENDMENTS

Various changes relating to the Regional Transportation Authority. The amount of monies from the construction account of the Regional Transportation Fund that are annually distributed to the regional council of governments is changed to one percent of the revenues collected from the specified transportation excise tax, instead of \$300,000. The Authority is authorized to exercise the right of eminent domain for statutory purposes, instead of having counties or municipalities exercise the right of eminent domain on behalf of the Authority.

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Modifies the definition of "substantial change" (which could trigger a ballot proposition for consideration of a revised regional transportation plan).

HB 2366 AUTOMATED TRAFFIC SAFETY DEVICES

Statutes regulating photo enforcement systems are repealed and replaced with statutes regulating "automated traffic safety devices" (defined). A state or local authority that is responsible for enforcing traffic violations within its jurisdiction may authorize the use of an automated traffic safety device and may enter into an agreement with a private third party for the installation, operation and maintenance of the device. Establishes a process for notice of violations and civil penalties for violations detected by an automated traffic safety device. Establishes a list of defenses that apply in a proceeding for a violation that is detected by an automated traffic safety device.

HB 2593 INTERSECTION; DEFINITION

For the purposes of traffic and vehicle regulation, the definition of "intersection" includes the area within a crosswalk or beyond a designated stop line if a stop line, yield line or crosswalk is designated on the roadway, and does not include the junction of an alley or driveway with a roadway unless controlled by a traffic control device. Also, if both intersecting highways include two roadways that are thirty or more feet apart, every crossing of any two roadways of such highways is a separate intersection. Effective January 1, 2018.

SB 1250 INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY; TAXATION

Various changes relating to intergovernmental public transportation authorities. An authority is a tax-levying public improvement and taxing subdivision of the state. A county board of supervisors may organize an authority with boundaries coterminous with the county boundaries. The board of directors of an authority with boundaries coterminous with the county boundaries is authorized to request that the issue of levying a county transportation excise tax be submitted to the qualified electors at a countywide special election or placed on the ballot at a countywide general election. Establishes requirements for the election, including publicity pamphlet mailings, submittal of arguments for or opposing the ballot measure, and information that must be printed on the ballot.

SB 1312: MOTOR FUEL TAXES

Repeals the tax of 18 cents per gallon on motor vehicle fuel possessed, used or consumed in Arizona, other motor vehicle fuel taxes imposed, and statutes regulating use fuel tax collection and fuel dispenser labels. Beginning January 1, 2017, a tax of 12 percent of the statewide average rack price of a gallon of motor fuel is imposed on motor vehicle fuel possessed, used or received for sale or use in Arizona, and establishes a calculation used to determine the statewide average rack price of a gallon of motor fuel. The statewide average rack price of a gallon of motor fuel cannot be less than \$2.45 per gallon, and cannot exceed \$3.33 per gallon. Establishes a process for the Dept to annually adjust the fuel tax rate. A county by ordinance is authorized to levy a tax on wholesale motor fuel sold in that county of up to 3 percent of the total sale of motor vehicle fuel. The Department of Transportation is required to study a road usage charge mileage-based revenue system as an alternative to motor fuel taxes and make recommendations to the Legislature on the potential use and future implementation of a road usage charge in Arizona. More. Effective January 1, 2017.

Water/Environmental Resources

New Laws

HB 2130 (Chapter 27) MUNICIPALITIES; COUNTIES; ENERGY USE; REPORTING

Counties and municipalities are no longer prohibited from imposing a tax, fee, assessment, charge or return deposit on a consumer or an owner, operator or tenant of a business, commercial building or multifamily housing property for "auxiliary containers" (defined as reusable bags, boxes, and other recyclable containers). Counties and municipalities are no longer prohibited from regulating the sale, use or disposition of auxiliary containers by an owner, operator or tenant of a business, commercial building or multifamily housing property. Statute prohibiting counties and municipalities from requiring an owner, operator or tenant of a business, commercial building or multifamily housing property to measure and report energy usage and consumption does not prohibit a county or municipality that operates an electric or gas utility from metering or otherwise measuring and reading energy deliveries, usage and consumption in the course of providing utility service to businesses, commercial buildings and multifamily housing properties. This legislation and Laws 2016, Chapter 28, repeal two sets of prohibitions and each bill reinserts one set. The effect of the two bills together is that there is no substantive change to statute.

HB 2131 (Chapter 28) MUNICIPALITIES; COUNTIES; AUXILIARY CONTAINERS; PROHIBITIONS

Counties and municipalities are no longer prohibited from requiring an owner, operator or tenant of a business, commercial building or multifamily housing property to measure and report energy usage and consumption, including energy consumption benchmarking and building facility energy efficiency audits. This legislation and laws 2016, chapter 27, repeal two sets of prohibitions and each bill reinserts one set. The effect of the two bills together is that there is no substantive change to statute.

HB 2291 (Chapter 86) GROUNDWATER; WATERLOGGED AREA EXEMPTION; DATE

The exemption from any irrigation water duties or intermediate water duties for a person with an irrigation grandfathered right on irrigation acres in the management plans for the first through fourth management periods for the Phoenix Active Management Area (AMA) is extended to the fifth management period and terminates on December 31, 2024. The exemption from conservation requirements for the distribution of groundwater for specified companies and districts is also extended to the fifth management period for the Phoenix AMA and terminates on December 31, 2024. The exemption from groundwater withdrawal fees and water quality assurance fees for these areas is extended five years through 2024, from 2019.

HB 2325 (Chapter 192) ENVIRONMENT; WATER QUALITY AMENDMENTS

Various changes to statutes relating to water quality. The maximum lead content for pipes, pipe fittings, and plumbing fittings and fixtures is set at a weighted average of 0.25 percent when used with respect to wetted surfaces, and must be calculated using a specified formula. The list of exemptions from the maximum lead content standards is expanded to include specified uses where water is not anticipated to be used for human consumption. Monies from fees for

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certification of operators of potable water systems and sewage treatment plants are deposited in the water quality fee fund, instead of the general fund.

HB 2391 (Chapter 195) MUNICIPALITIES; WATER RATES; REQUIREMENTS

Municipalities are prohibited from assessing or collecting a fee on new water or wastewater service connections at the time of the establishment of service to those connections for the purpose of recovering the municipality's costs of acquiring the utility plan, facilities, system or other property of a public service corporation or another municipality engaged in the business of providing water or wastewater service. Does not apply to water or wastewater fees adopted before January 1, 2016 or included in a notice of intent to adopt or increase rates and fees adopted before January 1, 2016.

SB 1191 (Chapter 217) WATER PROTECTION FUND; CONSERVATION; SUPPLY

The list of projects that the Arizona water protection fund commission is required to give priority in funding to is expanded to include projects that increase the supply of water. Removes the cap of five percent of the monies spent in any fiscal year being spent in water conservation programs outside of active management areas.

Bills that Failed

HB 2181 WQARF FUNDING; STATE TREASURER; TRANSFERS

Repeals the cap on the appropriation from the general fund to the Water Quality Assurance Revolving Fund for FY2015-16 of \$7 million that was contained in the FY2015-16 budget. The State Treasurer is required to make the transfers to WQARF required by statute to assure an annual funding amount of \$18 million for FY2015-16.

HB 2331 SMALL WATER SYSTEMS FUND; APPROPRIATION

Appropriates \$500,000 from the general fund in FY2016-17 to the Small Water Systems Fund for emergency grants to interim operators of small water systems.

HB 2489 CLEAN FUELS; WAIVER; IMPLEMENTATION PLAN

The Department of Environmental Quality is required to apply to the U.S. Environmental Protection Agency for a waiver from certain requirements of the State Implementation Plan for air quality in order to allow for the use of California Air Resources Board phase 3 gasoline during times of shortage in the supplies of approved Arizona fuels.

HB 2675 WATER & WASTEWATER SYSTEMS; CONSOLIDATION

A water system and a wastewater system are prohibited from consolidating unless the systems are contiguous to each other.

SB 1016 WATER & ENERGY IMPROVEMENT DISTRICTS

Adds a new article to Title 48 (Special Taxing Districts) establishing and regulating water and energy improvement districts. The governing body of a local government is authorized to adopt a resolution establishing a district after following specified steps. Once a district is formed, the local government is authorized to hire a program administrator and staff, contract

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for professional services, impose fees and assessments to offset the costs of administering a program, and issue bonds or notes to finance qualified projects. Contains a legislative intent section.

SB 1192 ARIZONA WATER PROTECTION FUND; APPROPRIATION

Appropriates \$1 million from the general fund in FY2016-17 to the Arizona Water Protection Fund.

SB 1268 ADEQUATE WATER SUPPLY REQUIREMENTS; MUNICIPALITIES

The Department of Water Resources would no longer have been required to give written notice of county adequate water supply ordinances to the mayors of all municipalities in the county, and municipalities that received the notice would no longer have been required to comply with specified county adequate water supply requirements. A municipality that received a notice from the Department before the effective date of this act would have been required to comply with county adequate water supply requirements unless the legislative body of the municipality adopted an ordinance after the effective date of this act that provided that the municipality would not be subject to the requirements. The legislative body of a municipality with a population of more than 25,000 persons would have been authorized to adopt a municipal adequate water supply ordinance only if a list of specified conditions applied, including that the municipality was participating in a program to augment the aquifer underlying the municipality, the municipality had adopted a plan for the reuse of reclaimed water, and the municipality had adopted a residential and nonresidential water conservation program. The bill was Vetoes by the Governor. In his veto message, the Governor expressed concern that this legislation would encourage a patchwork of water ordinances throughout our cities and leave our water supply securities in peril.

Other Legislation

*New Laws***HB 2104 (Chapter 320) ASRS; RETENTION OF CREDITED SERVICE**

An employee who is employed with an Arizona State Retirement System (ASRS) employer in a position that was exempt from ASRS membership because the position was not included in agreements providing for the employee's coverage under the federal old-age and survivors insurance system but on whose behalf the employer has remitted ASRS contributions will retain credited service for the period of employment for which the employer remitted ASRS contributions on the employee's behalf. Retroactive to July 1, 2015, at a retired ASRS member's election, the retired member may return to work as a state elected official who is subject to term limits and still be eligible to receive retirement benefits. The bill has an emergency clause making it effective immediately on May 17, 2016.

HB 2160 (Chapter 96) ASRS; ELIGIBLE ROLLOVERS

The list of contributions for the payment of credited service purchases that the Arizona State Retirement System Board is permitted to accept is modified to include "direct transfers from" an individual retirement account or individual retirement annuity of an amount that would otherwise be eligible to be rolled over to ASRS, instead of a "rollover contribution of that portion of a distribution" from those types of accounts.

HB 2182 (Chapter 345) LIQUOR; SAMPLING; ELIGIBILITY; SQUARE FOOTAGE

Beer and wine store premises are no longer required to contain at least 5,000 square feet in order to be eligible for sampling privileges associated with the liquor license. Beer and wine store premises containing less than 5,000 square feet are required to dedicate at least 75 percent of retail shelf space to the sale of spirituous liquor in order to be eligible for sampling privileges.

HB 2222 (Chapter 185) EMPLOYMENT SECURITY; OMNIBUS

Various changes relating to unemployment insurance and unemployment benefits. To be eligible for unemployment benefits, an individual is required to make at least one job contact per day on four different days of the week, instead of being required to make at least three work search contacts during the week. The Department of Economic Security, instead of the Arizona Commerce Authority, is the state registration agency for apprenticeship functions prescribed by the federal government. Statute increasing the employer's contribution rate for the ensuing calendar year if at any time before the computation date shared work benefits are paid under the shared work plan of an employer or its predecessor is repealed on January 1, 2017. Reduces the number of Appeals Board members to three, from four. A party dissatisfied with a decision of the Appeals Board is no longer required to file a request for review and a decision on review is no longer required before that party may initiate an action for judicial review. Retroactive to January 1, 2016, the payment of employer contributions is not required if the quarterly amount of the contribution or taxes is less than \$10.

HB 2233 (Chapter 234) PUBLIC BUILDINGS; APPLICABLE FIRE CODES

If authorized by the State Fire Marshall through an intergovernmental agreement with the appropriate municipality, county or fire district, school district or charter school buildings may be constructed in compliance with the fire code of the municipality, county or fire district in which the building is located, instead of in compliance with the state fire code. The intergovernmental agreement may allow the municipality, county or fire district to conduct regularly scheduled fire safety inspections. If the State Fire Marshall enters into an intergovernmental agreement, the school district or charter school is permitted to choose to have the plan review, permitting and any related inspections or regularly scheduled fire safety inspections completed by either the State Fire Marshall or the municipality, county or fire district. Buildings and properties owned by the Arizona Board of Regents or a university under the Board's jurisdiction are exempt from any municipal, county or fire district code in the absence of an intergovernmental agreement between the Board or the university and the municipality, county or fire district.

HB 2240 (Chapter 186) WORKERS' COMPENSATION; MODIFICATIONS

Various changes to statutes relating to workers' compensation. Any interested party in a workers' compensation hearing is entitled to one change of administrative law judge (ALJ) as a matter of right by filing a notice of change of ALJ, and requirements for a notice of change of ALJ are specified. For the purpose of notice or affidavit for change of ALJ, the employer and the employer's insurance carrier are considered a single party unless their interests are in conflict. Interest on the payment of workers' compensation benefits must be paid at a rate of interest at the lesser of 10 percent per annum or the prime rate plus 1 percent. Instances where interest must be paid are specified. The medical, surgical and hospital benefits that every injured employee is required to receive promptly include translation services, if needed. A carrier, self-insurance pool or employer that does not direct care is permitted to choose a translator that is certified by an outside agency and is not an employee of the carrier, self-insurance pool or employer. For the purpose of determining workers' compensation for temporary partial disability, 50 percent of retirement and pension benefits received from the employer during the period of temporary partial disability is no longer considered wages able to be earned. The Industrial Commission is required to research ways to allow for investigations into the act or practice of workers' compensation fraud that are not duplicative of the functions of another state agency, and make recommendations to the Governor and the Legislature by December 31, 2016.

HB 2259 (Chapter 236) MOBILE HOME REMOVAL; LICENSURE; NONCOMPLIANCE

Various changes relating to mobile home regulations. A person is prohibited from entering a mobile home park and beginning work on the removal of a mobile home from the park without first satisfying the requirements for a clearance for removal from the landlord. A person who has not satisfied the requirements for clearance for removal who refuses to leave the remove their removal equipment from the park upon request from the landlord commits criminal trespass in the third degree, a class 3 (lowest) misdemeanor. Does not apply if the landlord refuses to provide the clearance for removal if the requirements in statute are satisfied. The doing of any wrongful or fraudulent act by a Department of Fire, Building and Life Safety licensee in conjunction with the sale, transfer or relocation of a mobile home in Arizona is grounds for disciplinary action.

HB 2306 (Chapter 100) HEALTHCARE PROVIDERS; FAMILY MEMBERS; COVERAGE

All health and disability insurance contracts and policies issued, delivered or renewed on or after July 1, 2017 in Arizona are required to provide coverage for lawful health care services provided by a health care provider to a subscriber regardless of the familial relationship of the provider to the subscriber if that service would be covered were it provided not a subscriber who was not related to the provider.

HB 2483 (Chapter 258) MUNICIPAL POPULATION ESTIMATES; USE

Before May 1 of the sixth year following a federal decennial census, a county is permitted to submit to specified state agencies the county's population estimate as of the fifth year following the last decennial census as approved by the Office of Employment and Population Statistics. On submittal, that population must be used for distributions of state shared revenues to the county beginning July 1 of the sixth year following the last decennial census through June 30th of the year following the next decennial census. Before May 1 of the sixth year following a federal decennial census, a county is permitted to contract with the U.S. Bureau of the Census to conduct a sample survey that results in a mid-decade resident population and submit the results of that survey to specified state agencies. On submittal, the mid-decade resident population must be used as the base for the calculation of population estimates for the sixth year following the last decennial census by the Office of Employment and Population Statistics. Before May 1 of the sixth year following a federal decennial census, a county is permitted to request that specified state agencies continue to use the most recent decennial census for distributions of state shared revenues to the county through June 30th of the year following the next decennial census. The most recent population estimates of the U.S. Bureau of the Census are required to be used annually for distribution of state shared tax revenues to cities and towns beginning on July 1 of the second year following the decennial census through June 30th of the year following the next decennial census. A municipality is authorized to elect to use the results of a special census for one year for distributions of state shared revenues to the municipality. The bill was passed with an emergency clause resulting in an immediate enactment on May 17, 2016.

HB 2486 (Chapter 259) TELECOMMUNICATIONS UTILITIES; RELOCATION; REIMBURSEMENT

To the fullest extent allowed by law, if any construction in any municipality that is undertaken individually or jointly by an intergovernmental contract and that is funded in whole or in part by voter-approved municipal bond proceeds requires a "telecommunications utility" (defined) to adjust or relocate the utility's facilities, the county or municipality must reimburse the utility or cause the utility to be reimbursed for the utility's relocation costs. Some exceptions. The process for reimbursement is specified.

HB 2497 (Chapter 260) LOCAL GOVERNMENTS; PERMITS; EQUIPMENT

A political subdivision is required to allow a list of specified persons to install, operate and maintain "microcell equipment" (defined) in the public highways within the political subdivision, and, upon application, is required to issue permits for the installation, operation and maintenance of microcell equipment on a competitively neutral and nondiscriminatory basis to those persons. Political subdivisions are required to levy application and permit fees on a competitively neutral and nondiscriminatory basis and directly related to the costs incurred by

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the political subdivision in providing services relating to the permits. Political subdivisions are prohibited from charging a recurring fee, rent or other charge for the use of aerial strand-mounted microcell equipment. Does not prohibit a political subdivision from charging a competitively neutral and nondiscriminatory rent, fee or charge for the use of the utility poles of the political subdivision. Applies to all specified persons, including those with telecommunications or cable licenses or other authorizations that took effect or were issued before the effective date of this legislation. On application, a municipal licensing authority is required to issue to a cable operator a permit to attach "allowed Wi-Fi radio equipment" (defined) to the cable television system in public streets, roads and alleys in the area of jurisdiction. A licensing authority is authorized to require all of the allowed Wi-Fi radio equipment at a single location to fit within a 15-inch cube and be contained entirely within a ground-mounted pedestal. Does not affect any authority of a political subdivision or any other person controlling utility poles in the public streets, roads and alleys to deny, limit, restrict or determine the terms and conditions for the use of or attachment to the utility poles. Does not prohibit a licensing authority from imposing competitively neutral and nondiscriminatory requirements for a cable operator to underground aerial facilities to which allowed Wi-Fi equipment is attached. Applies to all licenses issued before the effective date of this legislation. A municipal licensing authority is prohibited from levying a tax, rent, fee or charge on a cable operator for the use of the public streets, roads or alleys for allowed Wi-Fi radio equipment. Does not prohibit a licensing authority from levying fees and charges for microcell equipment on a cable operator pursuant to statute without an offset for license fees. This prohibition applies retroactively to supersede any requirements and agreements to pay such tax, rent, fee or charge that were adopted or made on or before the effective date of this legislation, except that any requirement to pay application, construction, permit, inspection and other fees and charges with respect to allowed Wi-Fi radio equipment that the cable operator agreed to on or before December 31, 2015 is not subject to this legislation and remains enforceable in accordance with its terms and conditions until the license of the cable operator is renewed or extended for a term that begins after the effective date.

HB 2643 (Chapter 323) PSPRS; CORP; EORP; ADMINISTRATION CHANGES

Various changes relating to public retirement systems. For the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officer Retirement Plan (CORP), the alternate contribution rate is the portion of the individual employer's total required contribution that is applied to the amortization of the unfunded actuarial accrued liability for the fiscal year, instead of to the total required contribution for all employers. For PSPRS and CORP, a member who retires and who subsequently becomes an elected official, by election or appointment, is not considered reemployed by the same employer.

HB 2652 (Chapter 210) INDEPENDENT CONTRACTORS; CRITERIA

A "qualified marketplace contractor" (defined) is required to be treated as an independent contractor for all purposes under state and local laws, regulations and ordinances, including employment security laws and workers' compensation laws, if all or substantially all of the payment for the services performed by the contractor is related to the performance of services or other output, the services performed are governed by a written contract executed between the contractor and a "qualified marketplace platform" (defined), and the contract provides for a list of specified provisions. Compliance with these requirements is not mandatory in order to establish the existence of an independent contractor relationship.

SB 1047 (Chapter 16) COUNTY ATTORNEY; POWERS AND DUTIES

The county attorney is permitted to provide civil legal services to another county or other political subdivision or an officer, employee or agency of a political subdivision at the request of that county's or political subdivision's elected or appointed "general counsel" (defined).

SB 1108 (Chapter 21) APPLICATION FOR PUBLIC ASSISTANCE; REQUIREMENTS

An application for any public assistance or service governed by Title 46 (Welfare) may bear the applicant's electronic signature, and the applicant's signature is no longer required to be witnessed. The application must include a statement by the applicant certifying that the contents of the application are true under penalty of perjury, instead of being required to be verified by the oath of the applicant.

SB 1151 (Chapter 305) ASRS; CONTINUATION

The statutory life of the Arizona State Retirement System Board and Director is extended eight years to July 1, 2024. Retroactive to July 1, 2016.

SB 1152 (Chapter 306) PSPRS; EORP; CORP; CONTINUATION

The statutory life of the Public Safety Personnel Retirement System Board of Trustees, which includes responsibility for the Elected Officials' Retirement Plan, Public Safety Personnel Retirement System, and Corrections Officer Retirement Plan, is extended eight years to July 1, 2024. Retroactive to July 1, 2016.

SB 1323 (Chapter 26) VEXATIOUS LITIGANTS; WORKERS' COMPENSATION

In a workers' compensation case before the Industrial Commission, the chief administrative law judge or a designee is authorized to designate a pro se litigant a vexatious litigant. A pro se litigant is a vexatious litigant if the Commission finds the pro se litigant engaged in "vexatious conduct," defined as a list of specified actions including repeatedly filing requests or motions solely or primarily for the purpose of harassment or bringing or defending claims "without substantial justification" (defined elsewhere in statute). A pro se litigant who is designated a vexatious litigant is prohibited from filing a new request for hearing, pleading, motion or other document without prior leave of the administrative law judge. The vexatious litigant designation applies only to the claim at issue before the administrative law judge.

SB 1373 (Chapter 161) LIQUOR OMNIBUS

Various changes to statutes regulating liquor licenses. Liquor sampling must be limited to two wholesalers or producers at any one off-sale retailer's premises on any day, instead of one. If an establishment has multiple licenses at the same location and the licenses are not from the same channel, the spirituous liquor must be sold under the channel that represents the primary use of the premises. A restaurant applicant or licensee is authorized to apply to the Department of Liquor Licenses and Control for a permit allowing for the sale of beer for consumption off the licensed premises if the beer container meets specified requirements. The maximum amount of beer a person may be served at one time is increased to 50 ounces. Modifies the definition of "repeated acts of violence" for licensed premises with a permanent occupancy of more than 200. Statute prohibiting spirituous liquor in motor vehicles does not apply to a passenger in a

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transportation network company vehicle while the vehicle is being used to provide transportation network services.

SB 1428 (Chapter 2) PSPRS MODIFICATIONS

Various changes to statutes relating to the Public Safety Personnel Retirement System. Establishes a method for determining the employer and member contributions to PSPRS for members hired on or after July 1, 2017. Modifies the definition of “average monthly benefit compensation” for the purpose of determining PSPRS retirement benefit amounts and the definition of “normal retirement” and applies these changes only to members hired on or after July 1, 2017. For members who are hired on or after July 1, 2017, the annual compensation of each member taken into account for purposes of the system cannot exceed \$110,000, decreased from \$200,000. Beginning in FY2020-21 and every third FY after, the PSPRS Board is required to adjust the annual compensation limit by the average change in the public safety wage index as determined by a specified method. Establishes retirement multipliers based on years of credited service for members who become a PSPRS member on or after July 1, 2017. Repeals statutes providing for benefit increases, and establishes cost-of-living adjustments for members hired on or before June 30, 2017, and for members hired on or after July 1, 2017. Increases the number of members of the PSPRS Board to nine, from seven, and modifies requirements for Board members. Establishes a 10-member PSPRS Advisory Committee. The PSPRS Board is required to establish a Public Safety Personnel Defined Contribution Plan (DC Plan) to provide for the retirement of specified participants beginning July 1, 2017. Establishes powers and duties of the Board for the DC Plan, and establishes member and employer contributions to the DC Plan. An employee who is hired on or after July 1, 2017 and who was not a member of the PSPRS on June 30, 2017 is eligible and may elect to participate in either the PSPRS or in the DC Plan, and the election made is irrevocable. The employee’s participation in either system begins 90 days after the date the employee is hired. Also establishes a DC Plan disability program. More. Conditionally enacted on the state Constitution being amended as prescribed by Senate concurrent resolution 1019 by vote of the people at the special election on May 17, 2016. Severability clause.

SB 1429 (Chapter 3) PUBLIC RETIREMENT SYSTEMS; SPECIAL ELECTION

The purpose of the special election called by Laws 2015, first special session, chapter 2 is expanded to include proposed amendments to the state Constitution that are proposed by Senate concurrent resolution 1019 that provide for changes to public retirement systems. For the public retirement systems measure, the Legislative Council analysis and Joint Legislative Budget Committee fiscal impact statement summary, and any arguments for or against the measure must be submitted to the Secretary of State no later than February 23, 2016. The bill has an emergency clause resulting in an immediate enactment date of February 16, 2016.

SB 1524 (Chapter 209) REGULATORY ACTIONS; LIMITATION

Unless authorized by federal, state or local law, state agencies, counties and municipalities are prohibited from taking any action that materially increases the regulatory burdens on a business unless there is a threat to the health, safety and welfare of the public that has not been addressed by legislation or industry regulation within the proposed regulated field, and from applying a regulation to a "qualified marketplace platform" (defined) if the purpose of that regulation is to regulate a business that provides goods or services directly to the customer.

*Bills that Failed***HB 2115 PUBLIC EMPLOYEES; MISAPPROPRIATION; PENALTY**

A public officer or employee of a public agency commits misappropriation of public monies if, without lawful authority and with an intent to defraud, the public officer or employee uses or transfers public monies for personal use that is not reasonably related to the person's employment as a public officer or employee for a public agency. Misappropriation of public monies is a class 1 (highest) misdemeanor for a value of less than \$1,000, a class 6 (lowest) felony for \$1,000 or more but less than \$2,000, a class 5 (second-lowest) felony for \$2,000 or more but less than \$3,000, a class 4 (mid-level) felony for \$3,000 or more but less than \$4,000, a class 3 (mid-level) felony for \$4,000 or more but less than \$25,000, and a class 2 (second-highest) felony for \$25,000 or more. Any public officer or employee of a public agency may notify the appropriate governing body if that officer or employee believes that another officer or employee has misappropriated public monies, and the governing body must make a determination regarding the notification within 60 days. If the governing body determines that a public officer or employee has misappropriated public monies, the public officer or employee is not eligible to receive any severance pay, annuity payments, pension benefits or any other benefit that would otherwise be provided by the public agency. This clause must be included in any employment contract entered into by a public agency after the effective date of this legislation.

HB 2157 ASRS; POLITICAL SUBDIVISION ENTITIES

Employees of "political subdivision entities" (defined in statute) who are hired on or after the effective date of this legislation are excluded from membership in the Arizona State Retirement System.

HB 2196 PAID SICK AND SAFE TIME

Effective January 1, 2017, employees who work in Arizona accrue a minimum of one hour of paid sick and safe time for every 30 hours worked. Situations where an employee may use paid sick and safe time are specified, as well as provisions governing accrual, carry over, and transfer of paid sick and safe time.

HB 2200 MOBILE HOME PARKS; USE CHANGE

If a mobile home park change in use requires the enactment, adoption or approval of the proposed change in use by the municipal governing body, the 180 days notice that landlord is required to provide the tenant being terminated due to the change must be provided after final action by the municipal governing body. Landlords are prohibited from increasing rent within the 180 day notice period, instead of within 90 days before giving notice of a change in use. The maximum payment amount a tenant who is required to move due to a change in use may collect from the Mobile Home Relocation Fund is increased to \$7,500 for a single section mobile home, from \$5,000, and to \$12,500 for a multisection mobile home, from \$10,000, and the dollar amounts must be increased each calendar year by three percent. The list of moving expenses that the payment may be used for is expanded. The amount the landlord is required to pay to the Fund for each tenant filing for relocation assistance is increased to \$1,000 for each single section mobile home, from \$500, and to \$1,200 for a multisection mobile home, from \$800, and the dollar amounts must be increased each calendar year by three percent. Landlords are prohibited from accepting or soliciting any new contracts for mobile homes or recreational vehicles on the property that is the subject of the proposed change in use, beginning on the

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initiation of change in use proceedings with the municipality. Landlords are required to maintain the grounds and services on the property until all tenants have vacated, and a landlord who by "intimidation or subterfuge" (defined) knowingly causes the tenant to vacate the property before or during the change in use process is guilty of a class 6 (lowest) felony.

HB 2201 SOVEREIGN AUTHORITY; COMMANDEERING; PROHIBITION; EXCEPTION

The state and all political subdivisions are prohibited from using any personnel or financial resources to enforce, administer or cooperate with any "action" (defined) of the U.S. government that constitutes "commandeering," defined as any action that is not in pursuance of the U.S. Constitution and that has not been affirmed by a vote of the U.S. Congress and signed into law as prescribed in the U.S. Constitution, or any action that exceeds the powers of the U.S. Congress enumerated in the U.S. Constitution, unless specifically authorized by state legislation.

HB 2237 RETIREMENT; RETURN TO WORK; RESTRICTIONS

Arizona State Retirement System, Public Safety Personnel Retirement System, and Corrections Officer Retirement Plan employers are prohibited from contracting with or leasing a retired member within one year after the member's retirement date.

HB 2243 ASRS; LTD PROGRAM; LIABILITY

The Arizona State Retirement System (ASRS), the ASRS Board, and ASRS employees are indemnified against liability for any action taken in the performance of their powers and duties, unless the action was intended to cause injury or was grossly negligent.

HB 2257 MOBILE HOMES; ABANDONMENT PROCEDURES

Establishes circumstances under which a mobile home is considered abandoned, and prohibits a landlord from beginning landlord lien sale procedures on a mobile home unless it is abandoned according to these circumstances. After determining that a mobile home has been abandoned, the landlord is permitted to serve a notice on the legal owner that states the termination of any right to keep the home on the space and demanding payment of monies due to the landlord for rent and utilities. If all monies owed are not paid in full within 72 days after the notice is sent, the landlord may sell the mobile home. Establishes circumstances under which the legal owner has the right to recover possession of the mobile home or the tenant has the right to reoccupy the mobile home. If a sale is held, the landlord is required to distribute the proceeds of the sale to specified persons in a specified order.

HB 2272 TEMPORARY SERVICES EMPLOYEES; RIGHTS

Establishes a temporary employee bill of rights. "Temporary services employers" (defined) are required to give various notices and disclosures to each temporary employee. Temporary employees cannot be paid less than the minimum wage and must be reimbursed for use of the employee's own vehicle for transportation to a work site. Temporary services employers and "work site employers" (defined) are prohibited from charging temporary employees for specified items or services. Only 20 percent of a work site employer's employees are permitted to be temporary workers. Establishes civil penalties for violations.

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HB 2282 REPEAL; RIGHT TO WORK

Statute prohibiting agreements denying employment because of non-membership in labor organizations is repealed. Conditionally enacted on the state Constitution being amended by the voters at the 2016 general election to repeal the right to work or employment without membership in labor organizations.

HB 2320 BODY ART ESTABLISHMENTS; LICENSURE

Beginning January 1, 2018, a person is prohibited from operating a "body art establishment" (defined) without a license issued by a local public health department, from performing body art on a person who is under 18 years of age without the written consent and the physical presence of the child's parent or guardian, from performing various types of piercings, and from engaging in the business of tattooing or body piercing out of a home or an impermanent structure. The Department of Health Services is required to establish minimum standards for body art establishment licensure. Does not prohibit counties and municipalities from adopting and enforcing ordinances affecting body art establishments.

HB 2351 ELECTED OFFICIAL; CONTEMPT; JURY TRIAL

If an elected official is allegedly in contempt, the elected official cannot be sentenced to imprisonment without a trial. The trial may be by the court unless the elected official demands a jury trial.

HB 2370 SOVEREIGN AUTHORITY; REFUGEES

The state and political subdivisions are prohibited from using any personnel or financial resources to enforce, administer or cooperate with any action of the U.S. government that places within Arizona any refugee, unaccompanied alien child or other person who is not a U.S. citizen unless the person has undergone a thorough criminal history, terrorism and health background check and has been approved for placement by the state, and the U.S. government has agreed to fully reimburse the state and political subdivisions for the ongoing costs of the placement.

HB 2385 INCORPORATION; URBANIZED AREAS

The county board of supervisors is required to proceed with incorporation of an area as a municipality without a resolution approving the incorporation from the nearby municipalities if the area has a population of 15,000 or more persons and that population is more than the population of any adjacent municipality that opposes the proposed incorporation.

HB 2393 HIRING PRACTICES; CRIMINAL HISTORY; LIMITATION

Employers are prohibited from inquiring, considering or requiring disclosure of the criminal conviction record of an applicant for employment during the hiring process unless it has a direct relationship to the employment position, is only for the period of the ten most recent consecutive years, and takes place after the applicant has received a conditional offer of employment. Does not apply to positions that require a valid fingerprint clearance card.

HB 2413 EMPLOYMENT DISCRIMINATION; PROHIBITION

The list of attributes for which a person cannot be discriminated against in employment practices is expanded to include gender, gender identity or expression or sexual orientation. A religious organization is allowed to take certain employment actions on the basis of gender, gender identity or expression or sexual orientation if the employee's position is directly related to the religious functions of the organization or directly involved in providing education to students of an educational institution substantially controlled or supported by the religious organization.

HB 2414 PUBLIC ACCOMMODATIONS; ANTIDISCRIMINATION

The list of attributes for which a person cannot be discriminated against in places of public accommodation is expanded to include "gender identity" and "sexual orientation" (both defined).

HB 2415 HOUSING DISCRIMINATION; PROHIBITION

The list of attributes for which a person cannot be discriminated against in various housing related statutes is expanded to include gender, gender identity or expression and sexual orientation.

HB 2443 METAL DEALER LICENSURE; LOCAL AUTHORITY

Statute prohibiting counties and municipalities from regulating the sale, use or disposition of "auxiliary containers" (defined) does not affect a county's or municipality's authority to enforce laws relating to business licensing of scrap metal dealers.

**HB 2478 COUNTY SCHOOL SUPERINTENDENT; QUALIFICATIONS
(~~LICENSING; WAIVER OF RIGHTS; PROHIBITION~~)**

State agencies, counties, municipalities and special taxing districts are prohibited from requiring a waiver of a right granted by the state Constitution or state law as a condition of approving a license.

HB 2507 OUTDOOR ADVERTISING

Modifies the specified latitude and longitude borders within which electronic outdoor advertising is authorized.

HB 2512 PENSION CONTRIBUTIONS; EXPENDITURE LIMIT EXEMPTION

Any payment to the Public Safety Personnel Retirement System made by a county or municipality against the county's or municipality's unfunded accrued liability is excluded from the county's or municipality's expenditure limitation established by the state Constitution.

HB 2517 BUSINESS PROFESSIONALS; REGULATION RESTRICTIONS

State agencies, counties and municipalities are required to limit all "entry regulations" and "public service restrictions" (both defined) applicable to businesses and professions to those that are demonstrably necessary and carefully tailored to fulfill legitimate public health, safety or

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welfare objectives. Within one year after the effective date of this legislation, each agency, county and municipality is required to conduct a comprehensive review of all entry regulations, and if any regulation conflicts with this requirement the agency, county or municipality must either repeal or modify it, or recommend legislative actions to repeal or amend it. Any person is authorized to petition an agency, county or municipality to repeal or modify any entry regulation or public service restriction within their jurisdiction. Establishes procedures for enforcement.

HB 2549 PUBLIC CONSTRUCTION PIPING MATERIALS; PROHIBITION

A "public body" (defined) is prohibited from preferring one type of "suitable piping material" (defined) over another in constructing, developing, maintaining, repairing or operating a water, wastewater or storm water drainage project that is funded in whole or in part with state monies, unless sound engineering practices suggest that one type of suitable piping material is more appropriate for a particular project.

HB 2568 COMMUNITY FACILITIES DISTRICTS; FORMATION; GOVERNANCE

Beginning with community facilities districts formed after the effective date of this legislation, if the land proposed to be included in the district was more than 600 acres, on presentation of a petition signed by the owners of all the land area proposed to be included in the district, the governing body would have been required to adopt a resolution declaring its intention to form a district to include contiguous or noncontiguous property that was wholly within the corporate boundaries of the municipality or county, and to adopt the resolution within 90 days after the submittal of the petition. Noncontiguous property would have been permitted to be included in a community facilities district only if it was under common ownership or control and would be served by common infrastructure. Beginning with districts formed after the effective date of this legislation, if the land proposed to be included in the district was more than 600 acres, the governing body would have been required to adopt a resolution ordering the formation of the district within 90 days after the adoption of the resolution declaring intention to form the district. Before adopting a resolution to form a community facilities district, the owners of the land to be included in the district would have been required to provide to the governing body an agreement to indemnify, defend and hold harmless the governing body and its agents, consultants, officers and employees for, from and against all liabilities, claims, costs and expenses that were incurred in any challenge or proceeding related to the offer, sale and repayment of district bonds and the levying by the district of any tax, assessment or charge. The indemnification agreement would have been required to establish a general obligation of the owners of the land but would not have been secured by the land and would have been required to be accepted without reference to the owners' financial ability to make repayment. The property to be included in a district formed by a county would have been required to meet a list of specified requirements, including that the property was the subject of a specific plan, a planned area development or a development agreement approved by the county. Unless otherwise provided for in a development agreement entered into before the effective date of this legislation, if the property within a district formed by a county met these requirements, the owner would have been required to provide to the county an agreement limited in scope to the provision of surface maintenance of public roadways to be financed by the district, which would have been required to include specified provisions. Unless otherwise provided for in a development agreement entered into before the effective date of this legislation, if the property within a district formed by a county met these requirements and either the property boundary was not located within 10 miles of a county sheriff substation or county law enforcement was provided to the property at a service level of less than one officer per 1,000 population, the

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owner would have been required to provide to the county an agreement limited in scope to the provision of law enforcement services to the property within the district, which would have been required to include specified provisions. Unless otherwise provided for in a development agreement entered into before the effective date of this legislation, the governing body would have been required to complete a review and approve an engineer's certification that a discrete segment of public infrastructure had been constructed according to plans within 30 days after submittal of the certification, and would have been required to adopt and accept the discrete segment of public infrastructure for ownership, operation and maintenance within 30 days after approval of the certification. Beginning with districts formed after the effective date of this legislation, the bond question would have been required to include authorization for an ad valorem tax levy to pay debt service on the bonds and a limit on that tax levy. In pledging the proceeds of an ad valorem property tax, the district board would have been authorized to limit the rate of taxation or the amount of ad valorem tax that it was obligated to levy or collect as prescribed by the terms of the bond election. Beginning with community facilities districts formed after the effective date of this legislation, the appointed district board would have been required to consist of five members. Three members would have been selected by the governing body, two of whom would have been selected directly and one who would have been selected by the governing body from a list of at least four persons submitted by the persons who each own more than 25 acres in the district. Two additional members would have been selected by designation of the persons who each own more than 25 acres in the district. The appointed board members would have been required to have expertise in one or more specified fields, and could not include persons who own more than 25 acres in the district. For districts formed after the effective date of this legislation, if a petition for district formation was signed by owners of all the land in the district and approved by the municipality or county, the municipality or county would have been required, instead of allowed, to waive any or all requirements of posting, publication, notice, hearing and landowner election. By February 1 of each year, the community facilities district would have been required to provide a report containing specified information to the Department of Revenue, and the Dept would have been required to provide copies of the reports to the Joint Legislative Budget Committee. The bill was vetoed by the Governor. In his veto message, the Governor expressed concern that this bill does not provide needed protections for the taxpayer and that these districts are not sufficiently accountable.

HB 2569 EMPLOYMENT & LABOR OMNIBUS

Various changes related to employment regulations. Employers are no longer permitted to pay employees who customarily and regularly receive tips a wage up to \$3 per hour less than the minimum wage if specified conditions are met. Employees accrue a minimum of one hour of earned sick time for every 30 hours worked. Situations where an employee may use earned sick time are specified, as well as provisions governing accrual, carry over, and transfer of earned sick time. The Industrial Commission is required to implement and enforce earned sick time regulations. Employers are prohibited from requiring nondisclosure by an employee of the employee's wage information as a condition of employment and from taking adverse employment action against an employee for disclosing the employee's wages. Employees are authorized to request a change in the terms and conditions of employment related to a list of specified factors, and the employer is required to engage in a timely, good-faith interactive process with the employee to discuss potential changes to meet the employee's needs. Establishes requirements for pay and schedule notice for retail, food service or cleaning employees. The Industrial Commission is required to issue an equal pay certificate to a business that meets specified qualifications, including that the average compensation for female employees is no consistently below the average compensation for male employees within each

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job category. Beginning January 1, 2017, a business that has at least 40 full-time employees in Arizona or in the state where the business's primary place of business is located is required to have an equal pay certificate or a waiver in order to be eligible to contract with any purchasing agency in Arizona for a procurement of more than \$500,000. Due to voter protection, the minimum wage provisions of this bill require the affirmative vote of at least 3/4 of each house of the Legislature for passage.

HB 2595 LIQUOR LICENSES; TRIBAL LAND

Before approving any application for a license to manufacture, sell or deal in spirituous liquors within 25 miles of "tribal land" (defined), the State Liquor Board is required to consult with the tribal council or governing body of the applicable Indian tribe. A tribal council or governing body of an Indian tribe is permitted to protest a spirituous liquor license application if the premises proposed to be licensed is within 25 miles of tribal land.

HB 2602 FIREWORKS; PERMITTED USES; REGULATION

For the purpose of fireworks regulations, the definition of fireworks is expanded to include "full-line consumer fireworks" (defined), the definition of "permissible consumer fireworks" is expanded to include firecrackers, and the references to the National Fire Protection Association Code are updated to refer to the 2016 edition, instead of the 2013 edition. The list of transactions that are not prohibited by fireworks regulations is expanded to include the sale of full-line consumer fireworks to out-of-state residents and in-state residents who sign a document indicating that they will remove the fireworks from Arizona within 48 hours after the purchase. The use of full-line consumer fireworks is prohibited in Arizona without a permit issued by a local jurisdiction.

HB 2616 CLAIMS; PUBLIC AGENCY; INDEPENDENT ADJUSTER

Any public officer of a public agency who has a personal or professional relationship with a person who has a substantial interest in any legal claim against the public agency is required to make known that relationship in the official agency records and refrain from voting or otherwise participating in any manner as an officer or employee in the legal claim. A public agency is required to refer any legal claim that is filed by a public officer or employee of that agency to an independent risk management claims adjuster to investigate and negotiate a settlement of the claim.

HB 2618 MEDICAL MARIJUANA DISPENSARIES; LOCATION CHANGE

After the Department of Health Services issues a registration certificate to a nonprofit medical marijuana dispensary, the dispensary is permitted to change its location or the cultivation site only to another location in the same community health analysis area as established by the Dept at the time the original registration certificate was issued, and the new dispensary is subject to the other requirements for a new dispensary. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

SB 1017 MUNICIPAL SERVICE ACCESS CARDS; REQUIREMENTS

Municipalities are authorized to issue a municipal service access card to individuals to provide access to municipal services that the individual is entitled to receive. The card must meet specified requirements, including stating that the card is not an identification card. Municipalities are authorized to issue cards that are also identification cards if the card requires the same information required by the Department of Transportation Motor Vehicle Division for a non-operating identification license. Applies to all municipal service cards issued, reissued or renewed on or after the effective date of this legislation.

SB 1038 ASRS; REINSTATEMENT; CONTRIBUTION AMOUNT

A member of the Arizona State Retirement System who is reemployed by an ASRS employer is permitted to redeposit the amount of the contributions that the ASRS paid, instead of that the member received, at the time of the member's separation from service, with interest.

SB 1044 SPECIAL CENSUS; LAWFUL PRESENCE

A special census requested by a county or municipality for the purpose of determining population for the distribution of highway user revenues must include an enumeration only of individuals who reside in the county or municipality who either are citizens or nationals of the U.S., the Republic of Palau, the Federated States of Micronesia, the Republic of the Marshall Islands or American Samoa, or who reside in the county or municipality during legal admittance to the U.S.

SB 1050 FOOD PRODUCERS; PROHIBITED ORDINANCES

Producers of food products in residential and community gardens cannot be denied or restricted the right to sell and dispose of their products except as already provided in statute for owners, proprietors and tenants of agricultural lands, orchards, farms and gardens. Municipalities are prohibited from denying or restricting a producer of food products on agricultural lands and farms and in gardens, including residential and community gardens, from the right to produce food products, except as provided by state statute.

SB 1124 CONSULAR ID CARDS; PROHIBITION; REPEAL

The state and its political subdivisions are no longer prohibited from accepting a consular identification card issued by a foreign government as a valid form of identification.

SB 1140: FOWL REGULATIONS; PROHIBITION

Municipalities are prohibited from adopting a zoning ordinance that prohibits a resident of a single-family detached residence from keeping fowl in the backyard of the property. Municipalities may restrict the number of fowl and may prohibit or restrict a male fowl unless the male fowl is incapable of making noise. This legislation preempts all local laws, ordinances and charter provisions to the contrary.

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SB 1144 ASRS; CONTRIBUTIONS; ADJUSTMENTS

If more than the correct amount of employer or member contributions is paid into the Arizona State Retirement System through a mistake of law, ASRS is required to return those contributions to the employer upon request through an employer credit. If less than the correct amount of employer or member contributions is paid into ASRS by an employer, members who are inactive, retired or on long-term disability must make required payments using after-tax income and a personal check, cashier's check or money order.

SB 1174 FINANCIAL DISCLOSURE; MODEL LEGISLATION; LOBBYING

The information that must be disclosed in public officer financial disclosure statements is expanded to include a description of any benefit received by the public officer or any member of his/her household or any of his/her relatives if the benefit is in the form of travel, lodging or registration fees related to a conference or other event. The Secretary of State is required to post information from financial disclosure statements on the website. For the purpose of lobbyist registration and regulations, the definition of "lobbying" includes communicating with or assisting a legislator with respect to or promoting the passage of draft, proposed or model legislation, whether at a conference or other event occurring at a location other than the Legislature or while at the Legislature. The descriptions of persons exempt from lobbyist regulations are modified. The information that must be contained in lobbyist expenditure reports is expanded to include registration fees paid for a conference or other event.

SB 1194 BUILDING CODE MORATORIUM; REPEAL

Repeals the moratorium on new or modified residential or commercial building codes that was in effect from June 30, 2009 to June 30, 2011.

SB 1199 EMPLOYMENT; HOUSING; PUBLIC ACCOMMODATIONS; ANTIDISCRIMINATION

The list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation is expanded to include "sexual orientation," "gender identity," and "veteran status" (all defined).

SB 1206 RETIREMENT PLANS; ELECTED OFFICIALS; OPT-OUT

Retroactive to September 13, 2013, if a state elected official who is subject to term limits, who is initially elected or appointed before January 1, 2014 and who has continuously elected not to participate in the Elected Officials Retirement Plan (EORP) is subsequently elected or appointed as a state elected official who is subject to term limits on or after January 1, 2014, the official is eligible to become a member of EORP or may elect not to participate. Retroactive to September 13, 2013, if the official becomes a member of EORP, credited service only accrues from the date of the member's most recent eligibility as a state elected official. An EORP member who is a state elected official and who is subject to term limits is permitted to elect not to accept the employer's contribution to the member's annuity account of the EORP defined contribution plan. Session law allows these members to elect to return the employer's contributions and the earnings on those contributions by making an election to do so within 180 days after the effective date of this legislation.

SB 1331 AUXILIARY CONTAINERS; REGULATIONS PROHIBITION; REPEAL

Repeals statutes prohibiting counties and municipalities from requiring an owner, operator or tenant of a business, commercial building or multifamily housing property to measure and report energy usage and consumption, from imposing a tax, fee, assessment, charge or return deposit on a consumer or an owner, operator or tenant of a business, commercial building or multifamily housing property for "auxiliary containers" (defined as reusable bags, disposable bags, boxes, beverage cans, bottles, cups and containers that are made from specified materials and that are used for transporting merchandise), and from regulating the sale, use or disposition of auxiliary containers by an owner, operator or tenant of a business, commercial building or multifamily housing property.

SB 1333 PUBLIC EMPLOYEES; COLLECTIVE BARGAINING

Public employees may form, join and participate in, or refrain from forming, joining or participating in unions. A three-member Public Employee Labor Relations Board is formed to certify or decertify union representation and to hear complaints of prohibited practices. Local public employee labor relations boards are also authorized. State employees are forbidden from engaging in or encouraging a strike, and public employers cannot engage in an employee lockout. The Board terminates on July 1, 2026.

SB 1337 LOBBYISTS; MEALS; ANNUAL LIMIT

For the purposes of regulations on gifts from lobbyists, the exemption from the definition of "gift" for food or beverages applies only to food or beverages at a cost of up to \$50 per calendar year.

SB 1340 HIRING PRACTICES; LIMITATIONS; CRIMINAL HISTORY

Employers are prohibited from inquiring, considering or requiring disclosure of the criminal conviction record of an applicant for employment during the hiring process unless it has a direct relationship to the employment position, is only for the period of the five most recent consecutive years, and takes place after the applicant has received a conditional offer of employment. Does not apply to positions that require a valid fingerprint clearance card.

SB 1364 CLAIM; NOTICE; PUBLIC ENTITY; EXCEPTION

Statute regulating claims against a public entity or public employee does not apply to any claim alleging medical malpractice that resulted in the death of a person who was being treated for a mental health illness.

SB 1374 BODY ART ESTABLISHMENTS; MINIMUM STANDARDS

The Department of Health Services is required to coordinate with local public health departments to establish minimum standards for "body art establishments" (defined) and operators, including proper disposal of equipment, sterilization, and blood borne pathogen training requirements. County standards for body art establishments must be at least as stringent as those prescribed by the Department.

SB 1424 HOME-BASED BUSINESSES; LICENSING MORATORIUM; UNEMPLOYMENT

If the statewide seasonally adjusted unemployment rate reaches at least 10 percent, an agency, department, board or commission of the state or a political subdivision is prohibited from requiring a "home-based business" to have a valid "license" (both defined). Once the statewide unemployment rate reaches less than 6 percent, an agency may resume requiring a home-based business to have a valid license as prescribed by law.

SB 1436 EMPLOYMENT & LABOR OMNIBUS

Various changes related to employment regulations. Employers are no longer permitted to pay employees who customarily and regularly receive tips a wage up to \$3 per hour less than the minimum wage if specified conditions are met. Employees accrue a minimum of one hour of earned sick time for every 30 hours worked. Situations where an employee may use earned sick time are specified, as well as provisions governing accrual, carry over, and transfer of earned sick time. The Industrial Commission is required to implement and enforce earned sick time regulations. Employers are prohibited from requiring nondisclosure by an employee of the employee's wage information as a condition of employment and from taking adverse employment action against an employee for disclosing the employee's wages. Employees are authorized to request a change in the terms and conditions of employment related to a list of specified factors, and the employer is required to engage in a timely, good-faith interactive process with the employee to discuss potential changes to meet the employee's needs. Establishes requirements for pay and schedule notice for retail, food service or cleaning employees. The Industrial Commission is required to issue an equal pay certificate to a business that meets specified qualifications, including that the average compensation for female employees is no consistently below the average compensation for male employees within each job category.

SB 1469 JOB TRAINING FUND; LOTTERY REVENUES

Eliminates the delayed repeal of the Arizona Job Training Program, which was set to occur on January 1, 2017. Of monies remaining in the State Lottery Fund after other statutory distributions, \$3.5 million must be deposited in the Arizona Job Training Fund, instead of the Arizona Competes Fund. Appropriates \$3.5 million from the general fund in FY2016-17 and each FY after to the Arizona Competes Fund.

SB 1518 LAW ENFORCEMENT; WORKERS' COMP; EXPOSURE

A law enforcement officer that sustains a "significant exposure" (defined) is required to receive workers' compensation from the date on which the significant exposure occurred. If an exposure is a Level I, II, III or IV (all defined), in addition to coverage for any eventual contraction of specified diseases after a significant exposure, a law enforcement officer will be covered for both medical and compensation benefits and any time lost as a result of medication taken as a result of the exposure. For the purpose of workers' compensation statutes, the definition of "personal injury by accident arising out of and in the course of employment" is expanded to include a significant exposure if the employee is a law enforcement officer and the significant exposure occurs in the line of duty, in the course of an arrest or as a result of an assault on the officer.

Elections/Public Notice

New Laws

HB 2015 (Chapter 60) PUBLICITY PAMPHLETS; COUNTIES; MUNICIPALITIES

For initiative and referendum elections in counties and municipalities, any contract for publicity pamphlet publication and/or mailing is required to provide for the contractor to pay a penalty of \$0.01 per household with a registered voter for each day of mailing that occurs on or after the earliest date for receipt of requested early ballots. The monies must be paid to the office of the officer in charge of elections. Effective January 1, 2017.

HB 2023 (Chapter 5) DELIVERY; EARLY BALLOTS; LIMITATION

A person who knowingly collects voted or unvoted early ballots from another person is guilty of a class 6 (lowest) felony. An election official or any person who is allowed by law to transmit U.S. mail is deemed not to have collected an early ballot if the person is engaged in official duties. Does not apply to a "family member," "household member" or "caregiver" (all defined) of the voter, or to an election held by a special taxing district formed to protect or provide services to agricultural land or crops.

HB 2049 (Chapter 82) MUNICIPAL, PRECINCT OFFICE; ONLINE SIGNATURES

The secretary of state is required to provide a system for qualified electors to sign a nomination petition for candidates for municipal office, county office and the office of precinct committeeman by way of a secure internet portal. Requirements for the system are specified. Candidates may choose to collect up to the minimum number of required nomination petition signatures by use of the online system. Effective January 1, 2017.

HB 2084 (CHAPTER 50) VOTER REGISTRATION RECORDS; DEATH RECORDS

The department of health services is required to annually provide to the secretary of state without charge a record of all deaths of Arizona residents that are reported to the department, using the statewide electronic death registration system. The records transmitted by the department must include only specified information on the decedent. The secretary of state may compare the records of deaths with the statewide voter registration database.

HB 2296 (Chapter 346) CHARITABLE ORGANIZATIONS; CAMPAIGN FINANCE DISCLOSURE

For the purposes of campaign finance reporting, a contribution is deemed to be received either on the date the committee knowingly takes possession of the contribution or the date of the check or credit card payment. For an in-kind contribution of services, the contribution is deemed made either on the date the services are performed or the date the committee receives the services. An expenditure or disbursement is deemed made either on the date the committee authorizes the monies to be spent or the date the monies are withdrawn from the committee's account. A committee is authorized to record its transactions using any of the methods authorized but must use a consistent method throughout the election cycle. These changes are effective from and after the last day for filing a pre-election campaign finance report for the November 2016 general election. Additionally, the state, state agencies and political subdivisions are prohibited from requiring any person that has tax exempt status under section

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501(a) of the internal revenue code, that is in good standing with the corporation commission, and that has properly filed specified forms with the internal revenue service to register as a political committee, and from requiring any entity that is a religious assembly or institution or that has a charitable tax exemption under section 501(c)(3) of the internal revenue code to register as a political committee or file any campaign finance reports.

HB 2297 (Chapter 347) POLITICAL ADS; CONTRIBUTORS; DISCLOSURE

If a political committee makes an independent expenditure for campaign literature or advertisements, the political committee is required to include the names and telephone numbers of up to three political committees making the largest contributions that in the aggregate for that political committee total 20 percent or more of the total amount of contributions, instead of being required to include the names and telephone numbers of the three political committees making the largest contributions. If no political committee has contributed 20 percent of the total contributions, the names of the three political committees that made the largest amount of aggregate contributions are required to be disclosed. Also makes various changes to laws 2016, chapter 79 (s1516 campaign finance amendments). A candidate committee is prohibited from making contributions to a candidate committee for another candidate, and related contribution limits are deleted. The conditions under which a candidate committee is authorized to transfer contributions to any other candidate committees for that same candidate are modified. Candidate committees are authorized to reattribute an excess contribution only if the excess contribution was received from an individual contributor and the contributor authorizes the candidate committee to do so. A candidate committee may accept contributions only from an individual, partnership, candidate committee, political action committee or a political party. Establishes criminal classifications and penalties for campaign finance violations. Session law establishes guidelines for political committees in existence on November 8, 2016 to transition to the new system. Changes the effective date of laws 2016, chapter 79 to the last day for filing a pre-election campaign finance report for the November 2016 general election, instead of January 1, 2017. The related sections of this legislation become effective on the same date.

HB 2383 (Chapter 194) PUBLIC RECORDS; LAW ENFORCEMENT (~~SUPREME COURT; REPORTS; WEBSITE POSTING~~)

In a special action brought under public records law for the release of any record created or received by or in possession of a law enforcement or prosecution agency that relates to a criminal investigation or prosecution and that visually depicts the image of a witness under 18 years of age or a crime victim as defined in the criminal code, the petitioner must establish that the public's interest in disclosure outweighs the witness's or victim's right to privacy. A victim whose image is depicted in a record has the right to be present at and to be heard in any action brought for the release of the record. The "personal identifying information" (defined) of a witness to a crime contained in a record created or received by or in possession of a law enforcement or prosecution agency that relates to a criminal investigation or prosecution is prohibited from being disclosed by a public body unless the witness consents in writing to the disclosure, a court of competent jurisdiction orders the disclosure, or the witness's address is the location where the crime occurred. This requirement does not affect any records transmitted between law enforcement and prosecution agencies, a court or a clerk of the court or any provision of law that governs the discovery process of the conduct of trials.

2016 END OF SESSION REPORT**HB 2428 (Chapter 296) PUBLICITY PAMPHLETS; ARGUMENTS; ELECTRONIC SUBMITTAL**

The secretary of state is authorized to prescribe a method for filing nomination petitions, including electronic filing, and to prescribe an alternative page width and length for signature sheets in the elections procedures manual. A receipt for petition sheets filed may be electronically issued. The procedures used by the secretary of state to group signatures together, remove ineligible signatures, and identify signatures selected for random samples are modified. The secretary of state may dispose of signature sheets after a reasonable period of time. The secretary of state is required to post the publicity pamphlet for initiative and referendum measures, the dates on which ballot measure filings are due, and the dates on which arguments advocating or opposing the measures are due on the secretary of state's website as soon as is practicable. Each argument advocating for or against a ballot measure that is filed for inclusion in the publicity pamphlet is required to also be submitted to the secretary of state in electronic format. The secretary of state is required to provide for electronic submittal of deposit payments for the arguments.

HB 2429 (Chapter 196) LOCAL FINANCIAL DISCLOSURE; ELECTRONIC FILINGS

The list of information that must be disclosed in public officer financial disclosure statements is expanded to include the name of each meeting, conference or other event where the public officer is participating in an official capacity if "travel-related expenses" (defined) of \$1,000 or more were incurred on behalf of the public officer and are not paid by the public officer. If disclosure of the identity of a public officer's spouse or minor child are required in public officer financial disclosure statements, the officer may comply with the identification requirement by using the terms "spouse" or "minor child" as applicable. Beginning January 1, 2017, any financial disclosure statements a local public officer is required to file is permitted to be filed in an electronic format as prescribed by the secretary of state. Effective January 1, 2017.

HB 2635 (Chapter 335) MUNICIPALITIES; TAXES & FEES; NOTIFICATION

A municipality that proposes to levy or assess a tax or fee is required to prepare a schedule of the proposed new or increased tax or fee that includes the amount of the tax or fee and a written report or data that supports the new or increased tax or fee, post the schedule and the report or data on the home page of the municipality's website, and file a copy of the report or data in the office of the clerk of the municipality. Some exceptions. A municipality that proposes to levy or assess a tax, assessment or fee is required to prepare a notice of intent to establish or increase taxes, assessments or fees that includes specified information, and post the notice of intent on the municipality's website at least 15 days before approval or disapproval by the governing body.

SB 1516 (Chapter 79) CAMPAIGN FINANCE AMENDMENTS

The article of statute governing campaign contributions and expenses is repealed and replaced. Modifies definitions, including the definitions of "contribution" and "expenditure." Establishes a list of expenses that are not considered contributions for campaign finance purposes, including payments by a political party to support its nominee and the payment of a committee's legal or accounting expenses. Also establishes a list of expenses that are not considered expenditures for campaign finance purposes. Defines "primary purpose" for the

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purpose of determining whether an entity is organized for the primary purpose of influencing an election. States that certain tax-exempt entities that are in good standing with the corporation commission and have properly filed specified forms with the internal revenue service are not organized for the primary purpose of influencing an election. Increases the minimum contribution or expenditure that requires a candidate to register as a candidate committee or an entity to register as a political action committee (pac) to \$1,000 in connection with an election, from \$500. Establishes contribution limits for individuals, candidate committees, PACS, political parties, and corporations, limited liability companies, partnerships and labor organizations. The secretary of state is required to increase the committee registration threshold amount and the contribution limits by \$100 in January of each odd-numbered year. Candidates are authorized to transfer unlimited contributions to any one or more other candidate committees for the same candidate without regard to the office sought under specified conditions. Political parties are authorized to make unlimited contributions to persons other than candidate committees and nominees. Requires campaign committees to file campaign finance reports, and specifies information that must be included in the reports. Establishes campaign finance reporting periods and filing deadlines. Establishes regulations for campaign expenditures, including independent and coordinated expenditures. An expenditure is not an independent expenditure if there is "actual coordination" or if it is based on "non-public" information about the candidate's plans or needs. Requires specified disclosure statements for advertisements, solicitations, and related campaign expenditures. Provides for committee termination, including the transfer and disposal of committee monies. Establishes enforcement provisions, including making the filing officer the sole public officer who is authorized to initiate investigations into alleged violations. More. Effective January 1, 2017. Due to voter protection, certain sections of this legislation that make conforming changes required the affirmative vote of at least 3/4 of the members of each house of the legislature for passage and are therefore not enacted.

Bills that Failed

HB 2004 COURT DISPOSITIONS; SEARCHABLE PUBLIC RECORDS

If a court maintains case information for a publicly accessible and searchable case record database, the court is required to prominently post a clear and concise disposition for each listed case within 30 days after the final disposition of the case.

HB 2010 COLLECTION; VOTED EARLY BALLOTS; LIMITATION

A person who knowingly collects more than two voted or unvoted early ballots during any two-year election cycle is guilty of a class 6 (lowest) felony. Does not apply to a family member, household member or caregiver of the voter or to a candidate or a candidate's spouse.

HB 2016 PERMANENT EARLY VOTING LIST; CANCELLATION (~~EARLY; ALL-MAIL BALLOTS; MAILING PERIOD~~)

A voter's name is not removed from the permanent early voting list until the voter remains inactive through the date of the second general election for federal office immediately following being moved to inactive status.

HB 2017 ELECTIONS; POLITICAL SIGNS; POLLING PLACES (~~SIGNS; EARLY VOTING; REMOVAL~~)

It is a class 2 (mid-level) misdemeanor for a person to remove, alter, deface, cover or obscure any political sign, defined by the bill as a sign intended to influence the outcome of an election. The period of time during which political signs of candidates for public office cannot be removed, altered or defaced is changed to beginning 86 days before the primary election, from 45 days before. Does not apply to a sign or printed campaign materials that do not bear the required "paid for by" disclosure statement. Counties with one million or more active registered voters are required to determine the number of polling places for the presidential preference election by using at least one polling place for every 1,700 active registered voters who are not on the permanent early voting list and who are eligible to participate in the presidential preference election as of January 1 of the year of the election. Except in the case of an emergency, any facility that is used as a polling place or voting center is required to allow persons to electioneer and engage in other political activity, including the posting of political signs. A county recorder or other officer in charge of elections is authorized to designate a polling place for a presidential preference election as an emergency polling place and thus prohibit persons from electioneering and engaging in other political activity outside of the 75-foot limit but inside the property of the facility that is hosting the polling place, if an act of God renders a previously set polling place as unusable, or the county recorder or other officer in charge of elections has exhausted all options and there are no suitable facilities in a precinct that are willing to be a polling place unless the facility can be given an emergency designation.

HB 2041 NEWSPAPER; PUBLIC NOTICE PUBLICATION

For the purpose of publication of public notices, a "newspaper" is no longer required to be admitted under federal law as second-class matter in the United States mails for at least one year.

HB 2048 VOTER REGISTRATION RECORDS; ADOT RECORDS

Each month the Department of Transportation is required to provide to the Secretary of State an update of all address and name changes licenses and registrations that the Department received in the previous month. The Secretary of State may compare the voter registration database with the Department records to find discrepancies with voters' names or addresses. The Secretary of State is permitted to annually request to review all Department records to compare with voter registration records, and the Department must allow the Secretary of State to access the Department's records.

HB 2053 PROVISIONAL BALLOTS; TALLY; VERIFICATION

For a voter who casts a provisional ballot in an incorrect precinct, the county recorder is required to count that person's votes for candidates and ballot measures for which the person was entitled to vote but cannot count the votes for which that person was not entitled to vote, as determined by that person's residence.

HB 2083 MULTIPLE COMMITTEES; EXPLORATORY COMMITTEES; REPEAL

Candidates are no longer limited to having only one campaign committee, and are instead permitted to have any number of campaign committees designated for any election cycle,

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including committees for multiple offices. Candidate exploratory committees are eliminated and all references to exploratory committees are deleted. A person is prohibited from submitting a nomination petition for more than one office if the elections for those offices are held on the same day and the person would be prohibited from serving in the offices simultaneously. By submitting a nomination petition for an office, the person designates that office as the office for which the person is a candidate for nomination or election. Conforming changes in voter protected sections of this legislation did not receive the affirmative vote of 3/4 of the members of the House and are not enacted.

HB 2093 CAMPAIGN FINANCE DISCLOSURES; CORPORATIONS; ENTITIES

Corporations, limited liability companies and labor organizations are added to the list of entities making contributions to a political committee that makes an independent expenditure that must be disclosed on campaign literature or advertisements if the entity made one of the three largest contributions to the committee.

HB 2094 BALLOTS; DEFECTS; NOTICE AND CURE

The county recorder or officer in charge of elections is required to provide for a method of notifying an early ballot voter or provisional ballot voter if there is a defect in the voter's ballot materials that will result in the rejection of the voter's ballot and allow the voter to attempt to cure the defect by 7:00 PM on election day. The county recorder or officer in charge of elections is required to tabulate the ballot as otherwise provided by law and to further notify the voter whether the ballot was verified and counted.

HB 2095 INDEPENDENT EXPENDITURES; CORPORATIONS; FUNDING DISCLOSURE

Any corporation, limited liability company or labor organization that makes an independent expenditure and that accepts donations or contributions is required to file campaign finance reports, instead of only those entities that are organized primarily for the purpose of influencing an election. Disclosure statements for any campaign literature or advertisements purchased with monies from a corporation, limited liability company or labor organization making an independent expenditure must state that the expenditure is not authorized by any candidate and must include the four largest of its major funding sources as of the time the literature or advertisement is produced.

HB 2096 INDEPENDENT EXPENDITURES; CORPORATIONS; UNIONS; AUDIT

After each general election, the Clean Elections Commission is required to conduct random audits from among those corporations, limited liability companies or labor organizations that register and make independent expenditures in that election cycle. The Commission is authorized to hire an independent accounting firm to conduct the random audits. Audits are confidential unless a finding is made that a violation occurred, in which case the Commission is required to notify the appropriate filing officer of the alleged violation. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

HB 2097 AUTOMATIC REGISTRATION; LICENSES; IDS

Beginning January 1, 2017, every person who is applying for a driver license or renewal, including a non-operating identification license or renewal, and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant clearly expresses a decision not to register.

HB 2098 CAMPAIGN FINANCE; CORPORATE RECIPIENTS; REGISTRATION

Any corporation, limited liability company or labor organization that makes a contribution of a specified amount to a political committee or to another corporation, limited liability company or labor organization in an attempt to influence an election is required to register and notify the appropriate filing officer no later than one business day after making the contribution. The contribution amount that triggers this requirement is based on the office which is up for election. The corporation, limited liability company or labor organization is also required to notify the filing officer of each additional accumulation of contributions that exceeds the threshold amount. Corporations, limited liability companies or labor organizations that fail to meet these requirements are liable in a civil action for a civil penalty of up to three times the total amount of the contributions. Any person who makes a knowingly false filing relating to a contribution under this requirement is guilty of a class 1 (highest) misdemeanor.

HB 2187 MUNICIPAL CODES; PUBLICATION; ONLINE

For the purpose of regulations of municipal "code" (defined as a published compilation of rules or regulations), the definition of "published" is expanded to include electronic reproduction online.

HB 2283 RANKED CHOICE VOTING

Establishes a system of ranked choice voting, including methods for tabulating ranked choice votes. The list of capabilities a voting machine or device must have is expanded to include implementing ranked choice voting when ranking for contests is possible.

HB 2298 FINANCIAL DISCLOSURE; PUBLIC OFFICER; TRAVEL

The list of information that must be disclosed in public officer financial disclosure statements is expanded to include the name of each meeting, conference or other event where the public officer is participating in an official capacity if "travel-related expenses" (defined) of \$1,000 or more were incurred on behalf of the public officer and are not paid by the public officer. Effective January 1, 2017.

HB 2345 PUBLIC RECORDS; ATTORNEY FEES

The court is prohibited from awarding attorney fees to a public officer or public body in an action under public records law.

HB 2402 BONDS; DISCLOSURE; NOTICE

The information contained on the ballot for a bond measure is expanded to include a statement that the primary property tax rate may increase or other revenue sources may be used to pay

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for the operation and maintenance of projects funded by the bonds. The estimated tax impact of debt service for bonds and the estimated total cost of the proposed bond authorization that are included in the informational pamphlet for bond elections must be shown both at the estimated interest rate based on current market conditions and at the maximum interest rate to be authorized by the voters. The pamphlet must also include a disclosure in bold-faced type that the expenditure of the amount authorized by the bond is governed by the general purposes, and not the proposed projects and expenditures.

HB 2499 TRUTH IN TAXATION; DETAILED NOTICE

Expands the information that must be contained in the notice that a county or municipality is required to publish if the proposed primary property tax levy is greater than the amount levied in the preceding tax year. The notice must include each of three explanations that contribute to the tax increase: one for a county or municipality increasing its primary property tax rate, one for an increase in the net assessed value of centrally valued properties valued by the Department of Revenue, and one for an increase in the net assessed value of locally assessed properties valued by the county assessor.

HB 2534 COUNTYWIDE ELECTIONS; VOTE BY MAIL

On approval of the county board of supervisors, a county is authorized to conduct a mail ballot election for all elections administered by that county, including elections for federal and state offices and measures, and elections for county, municipal, school district and special districts. Counties that conduct mail ballot elections are required to report specified information about the election to the Legislature by January 1 of each year following a mail ballot election.

HB 2570 LOCAL GOVERNMENT BONDS; BALLOT STATEMENT

At an election for school district, municipal, county or special taxing district bonds, the ballot must include a statement that the issuance of the bonds will result in a property tax increase to pay debt service on the bonds, and that the increased tax will cost a specified amount annually for a home valued at the median full cash value of residential property in the appropriate jurisdiction.

HB 2580 ONLINE ELECTION INFORMATION; POSTING

The Secretary of State is required to post the publicity pamphlet for initiative and referendum measures, the dates on which ballot measure filings are due, and the dates on which arguments advocating or opposing the measures are due on the Secretary of State's website as soon as is practicable. Arguments advocating or opposing a measure may be submitted electronically and in electronic format and the Secretary of State is required to provide for receipt of electronic submittals and electronic format documents.

HB 2583 OPEN MEETINGS; AUDIOVISUAL RECORDINGS

All public bodies are required to provide for a complete audiovisual recording of all their meetings, including executive sessions, and are required to post the audiovisual recording of a meeting on its website within 24 hours after the meeting.

HB 2623 DISCLOSURE; LOBBYISTS; GIFTS; PUBLIC OFFICERS

Lobbyists are prohibited from making an expenditure for a gift for a state officer or employee, and state officers and employees are prohibited from accepting a gift from a lobbyist. The exemptions for certain types of entertainment are deleted. Modifies expenditure reporting requirements for lobbyists, and expands the definition of "lobbying" to include attempting to influence legislation by communicating with the Governor or his/her staff. For the purpose of financial disclosures for public officers and candidates, the definition of "gift" is modified. Additionally, public officer financial disclosure statements must be filed every six months, instead of annually, and the maximum amounts of compensation exempted from disclosure are reduced. Penalties for knowingly filing false or incomplete financial disclosures are increased. Financial disclosure statements must be filed electronically, and the Secretary of State is required to provide computer programs to accommodate electronic filings.

SB 1007 DRIVER LICENSES; AUTOMATIC VOTER REGISTRATION

Beginning January 1, 2017, every person who is applying for a driver license or renewal and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant clearly expresses a decision not to register.

SB 1028 EARLY VOTING LOCATIONS; EXTENDED HOURS

On-site early voting locations are required to be open until 7:00 PM each business day during the early voting period through the Monday preceding election day (instead of until 5:00 PM through the Friday preceding election day), and must also be open on Saturdays and Sundays until 7:00 PM during the two weekends immediately preceding election day.

SB 1029 VOTER REGISTRATION; SOCIAL SECURITY NUMBER

The list of items that constitute satisfactory evidence of U.S. citizenship for voter registration is expanded to include verification of the last four digits of the applicant's social security number. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

SB 1030 PERMANENT EARLY VOTING; BALLOTS; VERIFICATION

If a voter who is listed as having applied for an early ballot states that s/he has not voted and will not vote an early ballot or surrenders the early ballot to the precinct inspector and is allowed to vote, that ballot must be labeled as a permanent early voting list verification ballot.

SB 1031 VOTING CENTERS; ON-CAMPUS VOTING

In consultation with the Arizona Board of Regents and community college district boards, the board of supervisors of each county is required to designate certain on-campus locations as voting centers for each university and community college campus during the early voting period and on election day. The campus voting centers must allow any voter in the county to receive and lawfully cast the appropriate ballot.

SB 1032 ELECTION PROCEDURES; WORKERS; PRECINCTS; PROVISIONALS

Various changes relating to election procedures. County boards of supervisors are required to designate at least 1/2 of the total number of the county's precincts for the use of electronic media poll lists, registers and signature rosters, and are required, instead of permitted, to authorize the use of voting centers in place of or in addition to specifically designated polling places. Each polling place is required to provide a separate line for voters who are voting by provisional ballot. Before the appointment of election workers, the county officer in charge of elections is required to determine whether each precinct is likely to comply with a 30 minute maximum allowable wait time and consider implementing a plan to comply that incorporates bilingual board workers and revisions to precinct lines and locations of polling places.

SB 1033 VOTING RIGHTS; RESTORATION; FELONIES

For a person who has been convicted of two or more felonies, the person's right to vote is automatically restored on completion of probation or absolute discharge from imprisonment.

SB 1034 VOTER ID; PROOF OF CITIZENSHIP

Deletes the requirement for applications for voter registration to be accompanied by satisfactory evidence of U.S. citizenship. Deletes the requirement for a voter to present specified identification at a polling place. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

SB 1035 INITIATIVE; REFERENDUM; RECALL; NOTARY AGREEMENT

A circulator of initiative or referendum petitions is no longer required to swear to the validity of signatures before a notary public. Requirements for petitions relating to the notarized affidavit are replaced with a signed statement of verification.

SB 1068 FOREIGN NONPROFIT CORPORATIONS; FOREIGN LLCs

For the purpose of statute requiring foreign corporations and foreign limited liability companies to have authority from the Corporation Commission to conduct affairs or transact business in Arizona, "conducting affairs" and "transacting business" includes the expenditure of monies for the purpose of influencing the outcome of an election in Arizona.

SB 1069 CAMPAIGN FINANCE DISCLOSURES; CORPORATIONS; ENTITIES

Corporations, limited liability companies and labor organizations are added to the list of entities making contributions to a political committee that makes an independent expenditure that must be disclosed on campaign literature or advertisements if the entity made one of the three largest contributions to the committee.

SB 1071 INDEPENDENT EXPENDITURES; CORPORATIONS; FUNDING DISCLOSURES

Any corporation, limited liability company or labor organization that makes an independent expenditure and that accepts donations or contributions is required to file campaign finance reports, instead of only those entities that are organized primarily for the purpose of

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influencing an election. Disclosure statements for any campaign literature or advertisements purchased with monies from a corporation, limited liability company or labor organization making an independent expenditure must state that the expenditure is not authorized by any candidate and must include the four largest of its major funding sources as of the time the literature or advertisement is produced.

SB 1073 VOTER REGISTRATION; SAME DAY

A person who is otherwise qualified to register to vote may register during the 28 days immediately preceding an election and is eligible to vote in that election if the person has been a resident of the county and the precinct in which the person resides for at least 29 days immediately preceding the election. A person who is otherwise qualified to register to vote may register on Election Day at the polling place for the precinct in which that person maintains residence. A person who registers to vote under these provisions may vote only with a provisional ballot and does not qualify a person to vote in a partisan primary election.

SB 1074 VOTER IDENTIFICATION; VA; STUDENT IDENTIFICATION

The list of valid forms of identification that voters may present in order to obtain a ballot is expanded to include a valid veterans administration health identification card and a valid identification card issued by an accredited postsecondary educational institution in Arizona. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

SB 1075 STATEWIDE VOTER REGISTRATION PORTABILITY

If a voter has moved from the address at which the voter is registered to a different county and has failed to reregister at the new address before the date of an election, the voter must be permitted to correct the statewide voter registration records for the purpose of voting in future elections and must be permitted to vote a provisional ballot.

SB 1076 PROVISIONAL BALLOTS; RESIDENCE; PARTIAL TABULATION

If a precinct election board verifies that a voter's residence address is not within the precinct, the voter must be directed to the correct precinct. If the voter refuses to go to the correct precinct, the election board is required to provide a provisional ballot to that elector with a warning that a portion of the ballot will not be counted if the voter votes in the wrong precinct. The Secretary of State is required to design a provisional ballot envelope template that includes signature lines for the voter and the election board official to affirm that the recorded precinct and the warning were communicated. If the voter cast a provisional ballot in the correct county but the incorrect precinct, the votes on the ballot that the voter would have been eligible to cast must be counted.

SB 1077 PROVISIONAL BALLOTS; VERIFICATION; TALLY

For any prospective voter who appears at an incorrect polling place, the board worker at that polling place is required to complete a form in duplicate that contains the name of the precinct where the voter appeared and the name and location of the voter's correct precinct and polling place, keep a copy of the form and provide a copy to the voter. The voter must present the form at the polling place where s/he was directed to appear and vote a provisional ballot. On completion of the verification process for that voter's provisional ballot, if the voter was

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directed to the incorrect precinct, the ballot is counted only for those candidates that are not precinct specific.

SB 1078 PROVISIONAL BALLOTS; TALLY; VERIFICATION

For a voter who casts a provisional ballot in an incorrect precinct, the county recorder is required to count that person's votes for candidates and ballot measures for which the person was entitled to vote but cannot count the votes for which that person was not entitled to vote, as determined by that person's residence.

SB 1079 VOTER REGISTRATION DEADLINES; REGISTRATION METHOD

The deadline to register to vote in order to be eligible to vote in an election is modified so that the voter registration may be dated 29 days or more before the election and received by first class mail within 5 days after the last day to register to vote, completed in person at a county recorder's office before midnight on the 14th day before the election, electronically generated and transmitted to the Department of Transportation before midnight on the 14th day before the election, or submitted by other means and dated 29 days or more before the election, if the registration is received by the county recorder by 7:00 PM on the day of the election. Previously, the registration had to be received by the county recorder by midnight of the 29th day before the election.

SB 1080 EARLY BALLOT; ELECTION DAY POSTMARK

An early ballot and affidavit that is postmarked by U.S. mail by the election day is valid and must be counted.

SB 1081 EARLY BALLOTS; VERIFICATION; CURE

The county recorder or officer in charge of elections is required to provide for a method of notifying an early ballot voter if there is a defect in the voter's ballot materials that will result in the rejection of the voter's ballot and allow the voter to attempt to cure the defect within the 10 days immediately following election day. The county recorder or officer in charge of elections is required to tabulate the ballot as otherwise provided by law and to further notify the voter whether the ballot was verified and counted.

SB 1175 CAMPAIGN FINANCE; INDEPENDENT EXPENDITURES; DISCLOSURE

It is a class 6 (lowest) felony for an officer of a corporation, limited liability company or labor organization to transfer money or anything of value through a transfer or series of transfers with the intent to prevent the disclosure of the identity of one or more campaign contributors. Campaign literature or advertisements that are independent expenditures must include the names of the three "identifiable contributors" (defined) making the largest cumulative contributions to the political committee making the expenditure during the preceding 18 month period, instead of the names of the three political committees making the largest contributions during the calendar year. Campaign literature or advertisements to support or oppose a ballot proposition must include the names of the three largest identifiable contributors, instead of the names of the four largest major funding sources. Specifies relevant factors to be used in determining whether an entity's primary purpose is influencing an election for the purpose of requiring that entity to file as a political committee.

SB 1202 VOTER REGISTRATION; SAME DAY

A person who is otherwise qualified to register to vote may register during the 28 days immediately preceding an election and is eligible to vote in that election if the person has been a resident of the county and the precinct in which the person resides for at least 29 days immediately preceding the election. A person who is otherwise qualified to register to vote may register on Election Day at the polling place for the precinct in which that person maintains residence. A person who registers to vote under these provisions may vote only with a provisional ballot and does not qualify a person to vote in a partisan primary election.

SB 1203 EARLY VOTING LOCATIONS; EXTENDED HOURS

On-site early voting locations are required to be open until 7:00 PM each business day during the early voting period through the Monday preceding election day (instead of until 5:00 PM through the Friday preceding election day), and must also be open on Saturdays and Sundays until 7:00 PM during the two weekends immediately preceding election day.

SB 1218 NATIONAL POPULAR VOTE; INTERSTATE AGREEMENT

Establishes an agreement among the states to elect the U.S. President by national popular vote.

SB 1260 VOTER REGISTRATION; AUTOMATIC; DRIVER LICENSES

Beginning January 1, 2017, every person who is applying for a driver license or renewal and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant declines to be registered within 21 calendar days. Effective January 1, 2017.

SB 1282 PUBLIC RECORDS; UNDULY BURDENSOME REQUESTS

It is a defense to any action under public records law that the request for access to public records is unduly burdensome or harassing.

SB 1341 EARLY BALLOTS; PRECINCT BALLOT BOX

Any qualified elector who is listed as having applied for an early ballot and who appears at the polling place with the early ballot must be allowed to vote that early ballot at the polling place as a regular ballot, and a provisional ballot is not required.

SB 1342 DRIVER LICENSES; VOTER REGISTRATION; APPLICABILITY

Beginning January 1, 2017, every person who is applying for a driver license or renewal and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant clearly expresses a decision not to register. Beginning January 1, 2017, every person who received a driver license or renewal after October 1, 1996 and who is otherwise qualified to register to vote must be registered to vote automatically after the Department of Transportation notifies every licensee that s/he will be registered to vote automatically unless s/he clearly expresses a decision not to register, the Department provides information on licensees who do not affirmatively opt out to the

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appropriate county recorder, and the county recorder mails a request for confirmation of registration information to each licensee.

SB 1360 COUNTYWIDE ELECTIONS; VOTE BY MAIL

On approval of the county board of supervisors, a county is authorized to conduct a mail ballot election for all elections administered by that county, including elections for federal and state offices and measures, and elections for county, municipal, school district and special districts. Counties that conduct mail ballot elections are required to report specified information about the election to the Legislature by January 1 of each year following a mail ballot election.

SB 1392 AUTOMATIC VOTER REGISTRATION; POLITICAL PARTY

Beginning January 1, 2017, every person who is applying for a driver license or renewal and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant clearly expresses a decision not to register. The applicant must also be offered the opportunity to register with a political party.

SB 1461 ELECTRONIC RECORDS; STORAGE

For the purpose of statute allowing an electronic record to satisfy the requirement of a law that a record be retained, "law" includes a governmental agency's policy, and governmental agencies are no longer specifically permitted to adopt additional requirements for the retention of a record subject to that agency's jurisdiction.

SB 1480 CAMPAIGN FINANCE; CLEAN ELECTIONS; VIOLATIONS

The Citizens Clean Elections Commission is required to enforce campaign regulations for both participating and nonparticipating candidates. A person who knowingly or intentionally misstates or fails to fully disclose a campaign contribution or expenditure is guilty of a class 1 (highest) misdemeanor, instead of being subject to a civil penalty. A person who knowingly violates campaign contribution limits is guilty of a class 1 (highest) misdemeanor, and a person who unknowingly violates the limits remains subject to a civil penalty. All violations of campaign finance and reporting requirements are a class 2 (mid-level) misdemeanor unless another classification is specifically prescribed. In making a determination of reasonable cause to believe there is a violation of campaign finance requirements, there is a rebuttable presumption that the person has knowingly committed a violation unless the person demonstrates that the violation was unintentional. For all campaign related filings for candidates and committees for state offices and members of the Legislature, the Secretary of State is required to provide that the Citizens Clean Elections Commission has joint and simultaneous access to those filings and matters. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

SB 1519: EARLY BALLOTS; COLLECTION; RECEIPT

A person who collects a voted early ballot from another person is required to provide the voter with a receipt for the early ballot which includes the collector's name and address. Does not apply to an election official, any person allowed by law to transmit U.S. mail, a candidate who collects fewer than 10 voted early ballots, a candidate for statewide office or the Legislature, a person who is related to the voter, or a person who resides at the same residence as the voter.